



## Independent Assurance Report

To the President of Cosmo Oil Co., Ltd.

### Purpose and Scope

We were engaged by Cosmo Oil Co., Ltd. (the "Company") to provide limited assurance on its Corporate Report 2011 (the "Report") for the fiscal year ended March 31, 2011. The purpose of our assurance engagement was to express our conclusion, based on our assurance procedures, on whether the environmental and social performance indicators marked with (C) (the "Indicators") for the period from April 1, 2010 to March 31, 2011 included in the Report are prepared, in all material respects, in accordance with the Company's reporting criteria.

The content of the Report is the responsibility of the Company's management. Our responsibility is to carry out a limited assurance engagement and to express our conclusion based on the work performed.

### Criteria

The Company applies its own reporting criteria as described in the Report. These are derived, among others, from the Environmental Reporting Guidelines of Japan's Ministry of the Environment and Sustainability Reporting Guidelines 2006 of the Global Reporting Initiative. We used these criteria to evaluate the Indicators.

### Procedures Performed

We conducted our engagement in accordance with 'International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information' issued by the International Auditing and Assurance Standards Board, and the 'Practical Guidelines of Sustainability Information Assurance' of the Japanese Association of Assurance Organizations for Sustainability Information ("J-SUS").

The limited assurance engagement on the Report consisted of making inquiries, primarily of persons responsible for the preparation of information presented in the Report, and applying analytical and other procedures. The level of assurance provided is thus not as high as that provided by a reasonable assurance engagement. Our assurance procedures included:

- Interviews with the Company's responsible personnel to obtain an understanding of its policy for the preparation of the Report.
- Reviews of the Company's reporting criteria.
- Inquiries about the design of the systems and methods used to collect and process the Indicators.
- Analytical reviews of the Indicators.
- Examining, on a test basis, evidence supporting the generation, aggregation and reporting of the Indicators in conformity with the Company's reporting criteria, and also a recalculation of the Indicators.
- Visit to the Sakaide Refinery selected on the basis of a risk analysis.
- Evaluating the overall statement in which the Indicators are expressed.

### Conclusion

Based on the procedures performed, as described above, nothing has come to our attention that causes us to believe that the Indicators in the Report are not prepared, in all material respects, in accordance with the Company's reporting criteria as described in the Report.

We have no conflict of interest relationships with the Company that are specified in the Code of Ethics of J-SUS.

*KPMG AZSA Sustainability Co., Ltd.*

KPMG AZSA Sustainability Co., Ltd.  
Tokyo, Japan  
November 25, 2011

The first half of the *Cosmo Oil Group Corporate Report 2011* focuses on the Group's policies, initiatives and other aspects of its management philosophy, while the second half contains detailed reports, along with quantitative data, on plans and performance. Detailed data that could not fit into the printed edition of the report has been made available on the web, and the addresses are noted for reference. This shows that the Cosmo Oil Group is making an effort to improve the readability of the report without sacrificing the amount of information it discloses.

CSR reports generally emphasize the initiatives a company takes and the results achieved with regard to "reducing negatives" such as environmental impacts, accidents and disasters. This is also true of the *Cosmo Oil Group Corporate Report 2011*. The particular characteristics of this industry mean that disclosing this kind of information will continue to be important. Since the Great East Japan Earthquake, however, society has come to expect more of the Cosmo Oil Group in terms of contributing to sustainability through its business. In my opinion, the Group could yet improve its disclosure of information to better meet these expectations.

Although this report was made with reference to the GRI *Sustainability Reporting Guidelines 2006*, it is not fully in accordance with them. I would like to see future reports follow GRI guidelines, keeping in mind the Oil and Gas Sector Supplement scheduled for release in 2011.

**Tomonori Yoshida**

KPMG AZSA Sustainability Co., Ltd.

## Editorial Postscript

The Cosmo Oil Group *Environmental Report* was first published in fiscal 2001, replaced by the *Sustainability Report* in fiscal 2004 and then by the *Corporate Report* in fiscal 2010. Having originated as an environmental report, the report retains a great deal of information on Group initiatives and performance related to reducing environmental impacts, accidents and disasters. With the change in name to the *Sustainability Report* and then to the *Corporate Report*, efforts have been made to add overall profile information, as well as more information regarding the Group's management philosophy, Code of Conduct, social contributions, and other CSR activities. The Cosmo Oil Group will continue to work to add an even wider range of material on corporate initiatives and performance to the information it currently provides on the Group's contribution to sustainability through its oil business.

The Cosmo Oil Group recognizes how important it is to balance the inseparable management goals of improving earnings and pursuing CSR. In order to uphold the Cosmo Oil Group's management philosophy, it is also important to ensure that every Group employee brings a strong awareness of CSR to his or her job every day. In fiscal 2010, the Great East Japan Earthquake once again brought a keen awareness of the importance of ensuring safe operations and a stable energy supply.

The Cosmo Oil Group is committed to fulfilling its responsibilities as an energy provider. By revisiting the basics of safety and security, the Group is striving to maintain its position as an honest company that is worthy of the trust of all stakeholders.

CSR and Environmental Affairs Office, Corporate Communication Department  
Cosmo Oil Co., Ltd.