



## 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 2012 (the "Report") for the fiscal year ended March 31, 2012. 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 (✓) (the "Indicators") for the period from April 1, 2011 to March 31, 2012 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 Sakai 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  
October 24, 2012

## Report on Independent Assurance Work

With this report, the Cosmo Oil Group's disclosure of the environmental impact of its business activities has been expanded to cover additional Group companies; specifically, it has added environmental performance data associated with manufacturing carried out by Cosmo Oil Lubricants Co., Ltd., and that associated with transport of products by Cosmo Oil Lubricants and Cosmo Petroleum Gas Co., Ltd. In the future, it would be advisable for the Group to add a category for product sales in its environmental impact assessments as an environmental performance indicator for service stations, to ensure comprehensive disclosure of the environmental performance of all business activities from oil exploration through petroleum product sales.

In addition, the environmental performance data for newly added Group companies has not yet been standardized with the data management practices for the rest of the Group companies.

This needs to be standardized to ensure the data compilation is error free.

The Group should also look to expand the boundary of its social performance indicators to encompass Group companies in addition to Cosmo Oil Co., Ltd., just as it does for its environmental performance assessments. For the Fourth Consolidated Medium-Term CSR Management Plan, which starts in fiscal 2013, we hope that the Group will set targets and formulate measures that place an even stronger emphasis on socially responsible management by the entire Cosmo Oil Group.

**Shinichiro Akasaka**

KPMG AZSA Sustainability Co., Ltd.

