Independent Assurance Report



Independent Assurance Report

To the President of Cosmo Oil Co., Ltd.

We were engaged by Cosmo Oil Co., Ltd. (the "Company") to undertake a limited assurance engagement of the environmental and social performance indicators marked with (the "Indicators") for the period from April 1, 2013 to March 31, 2014 included in its Corporate Report 2014 (the "Report") for the fiscal year ended March 31, 2014.

The Company's Responsibility

The Company is responsible for the preparation of the Indicators in accordance with its own reporting criteria (the "Company's reporting criteria"), as described in the Report, which are derived, among others, from the Sustainability Reporting Guidelines version 3.0 of the Global Reporting Initiative and Environmental Reporting Guidelines of Japan's Ministry of the Environment.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Indicators based on the procedures we have 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', 'ISAE' 3410, Assurance Engagements on Greenhouse Gas Statements', issued by the International Auditing and Assurance Standards Board, and the 'Practical Guidelines for the Assurance of Sustainability Information' of the Japanese Association of Assurance Organizations for Sustainability Information. The limited assurance engagement consisted of making inquiries, primarily of persons responsible for the preparation of information presented in the Report, and applying analytical and other procedures, and the procedures performed vary in nature from, and are less in extent than for, a reasonable assurance engagement. The level of assurance provided is thus not as high as that provided by a reasonable assurance engagement. Our assurance procedures included:

- Interviewing with the Company's responsible personnel to obtain an understanding of its policy for the preparation of the Report and reviewing the Company's reporting criteria.
- Inquiring about the design of the systems and methods used to collect and process the Indicators.
- Performing 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 recalculating the Indicators.
- Visiting to the Chiba 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.

Our Independence and Quality Control

We have complied with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. In accordance with International Standard on Quality Control 1, we maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

KPMG Azsa Sustamability co., Ltd.

KPMG AZSA Sustainability Co., Ltd. Tokyo, Japan October 15, 2014

Report on Independent Assurance Work

This report begins with an overall business summary of the Cosmo Oil Group, leading into special features on the Group's business tie-ups for oil and gas development, paraxylene business in South Korea, and wind power generation business, helping to give a balanced picture of the Group's diverse businesses. At the same time, there is a slight bias toward the petroleum refining and sales business in the performance data and initiatives that are described. More could be written about performance data and initiatives for businesses other than petroleum refining and sales, to provide a more accurate overall picture of the Group.

With regard to quantitative data, there is an increasing emphasis today on creating shared value through business that creates both corporate and social value at the same time. In that respect, the report could provide

quantitative data on the CO₂ emissions that are being saved by the wind power generation business and the supply of bio-gasoline.

In terms of qualitative information, the report describes how the Group is sending more employees from Japan to its international offices, aiming to become a vertically integrated global energy company. It is important to similarly provide qualitative information on the training that employees receive before they are sent abroad.

Shinichiro Akasaka KPMG AZSA Sustainability Co., Ltd.

