



## Validation Report on Carbon Offset Fuel Calculation and Operation System

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### 1. Validation Target

We, SOCOTEC Certification Japan (hereafter "SOCOTEC"), have performed the validation of the "Kygnus Carbon Offset Fuel Calculation and Operation System" in order to provide an opinion as to whether Carbon Offset Fuel (Premium Gasoline / Regular Gasoline / Kerosene / Diesel Fuel / No. 3 Diesel Fuel / Fuel Oil A 01 / Fuel Oil A 05) are properly calculated and operated based on the "Carbon Offset System Operation Manual" developed by Kygnus Sekiyu K.K. (hereafter the "Company").

The purpose of the validation is to objectively assess the validity of the calculation and operation system of Carbon Offset Fuel and to further enhance the reliability of the calculated Carbon Offset Fuel.

### 2. Validation Summary

SOCOTEC has performed the validation based on the procedures of SOCOTEC that reference to "JIS Q 14064-3:2023 (ISO 14064-3:2019) Specification with guidance for the verification and validation of greenhouse gas statements" requirements with reference to the "Carbon Offset Guidelines Ver. 3.0 (Ministry of the Environment)" and the "Carbon Offset System Operation Manual". The scope of validation covers the Energy-derived CO<sub>2</sub> emissions released from the combustion stages per volume of Carbon Offset Fuel sold, the amount of carbon credits used to offset Energy-derived CO<sub>2</sub> emissions and the calculation and operation system of Carbon Offset Fuel to be sold. The level of assurance is "limited assurance", and the quantitative criterion of materiality is set at 5% each of "total expected emissions", "the amount of carbon credits used to offset Energy-derived CO<sub>2</sub> emissions" and "the volume of Carbon Offset Fuel sold". In the validation procedures, we have reviewed the calculation boundaries and the calculation structure of Energy-derived CO<sub>2</sub> emissions of Carbon Offset Fuel in the "Carbon Offset System Operation Manual" at headquarters of the Company, and have confirmed that the Energy-derived CO<sub>2</sub> emissions released from the combustion stages per volume of Carbon Offset Fuel to be sold, the amount of carbon credits used to offset Energy-derived CO<sub>2</sub> emissions and the volume of Carbon Offset Fuel are appropriately calculated and operated in accordance with the "Carbon Offset Guidelines Ver. 3.0 (Ministry of the Environment)" and the "Carbon Offset System Operation Manual".

### 3. Our Conclusion

On the basis of "Carbon Offset System Operation Manual" established by the Company, and the "Carbon Offset Guidelines Ver. 3.0 (Ministry of the Environment)", we are not aware of any instances where the Energy-derived CO<sub>2</sub> emissions released from the combustion stages per volume of Carbon Offset Fuel sold, the amount of carbon credits used to offset Energy-derived CO<sub>2</sub> emissions and the volume of Carbon Offset Fuel were not appropriately calculated and operated

<Valid period for validation: 1 April 2025 - 31 March 2026>

### 4. Points to Note

The Company assumes responsibility for the "Kygnus Carbon Offset Fuel Calculation and Operation System", whereas the responsibility for this validation rests with SOCOTEC. There are no specific interests between the Company and SOCOTEC.

SOCOTEC Certification Japan

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