

## Enhancing Corporate Value by Placing Importance on Environmental Protection, Social Responsibility, and Economic Performance

Cosmo Oil strives to be a company supported and trusted by society, placing importance on the triple bottom line: the environment, society, and the economy.

We have received considerable recognition for our activities related to environmental protection and social responsibility from outside the company: in FY 2001 Cosmo Oil's stocks were included in the SRI funds of two companies, Asahi Life Asset Management Co., Ltd's "Asu No Hane" and UFJ Partners Asset Management's "Green Wings".

We will continue to expand our activities to become an environmentally advanced company while striking a balance between environmental protection and profit creation.

We created a two-year plan that started last year called "Value Creation 21", under which we have rationalized business operations and created added value. In spite of these efforts, revenues for FY 2001 decreased due to the loss of profits from crude oil production influenced by the collapse in oil prices and a drop in the volume of sales, and profits for FY 2001 also fell because of the loss from revaluation of securities.

Currently, Cosmo Oil is working to improve service stations and to change how we provide our services, focusing on the self-service station and car-care markets. Although the oil industry is facing tough business conditions due to the intensification of competition, new-style businesses such as self-service stations at which drivers fill up their cars themselves and service station businesses, which provide car-care services including automobile inspection and

maintenance, are becoming more popular. We are developing such new businesses by



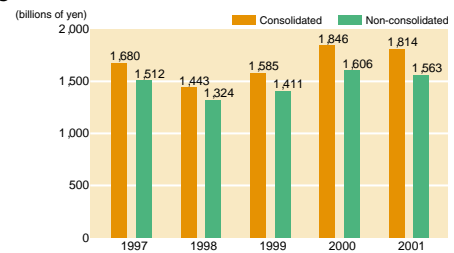
Large-scaled service station with B-cle

equipping large-scale service stations with the so-called "B-cle" facilities, which provide services such as automobile inspection and maintenance, high-quality car washes, and sales of car accessories. As of 31 March 2001, we have built a network of 217 B-cles and opened 109 self-service stations.

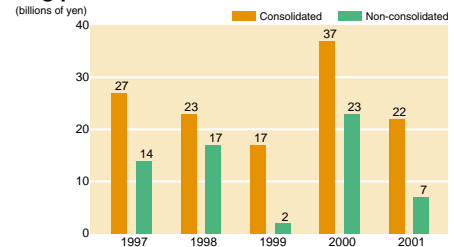
Focusing on "Cosmo the Card", a credit card system operated by Cosmo Oil, we will acquire more members and loyal customers through the mileage system.

Cosmo Oil will continue to establish the "Cosmo Network" as a solid base for profitability and to gain an absolute competitive advantage in the market by changing the style of service station businesses, while monitoring changes in customers' needs and regional characteristics.

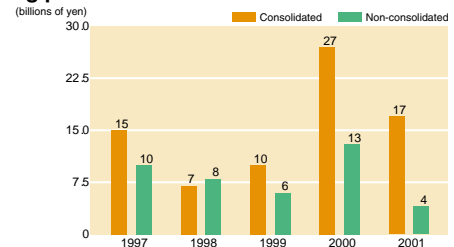
### Sales



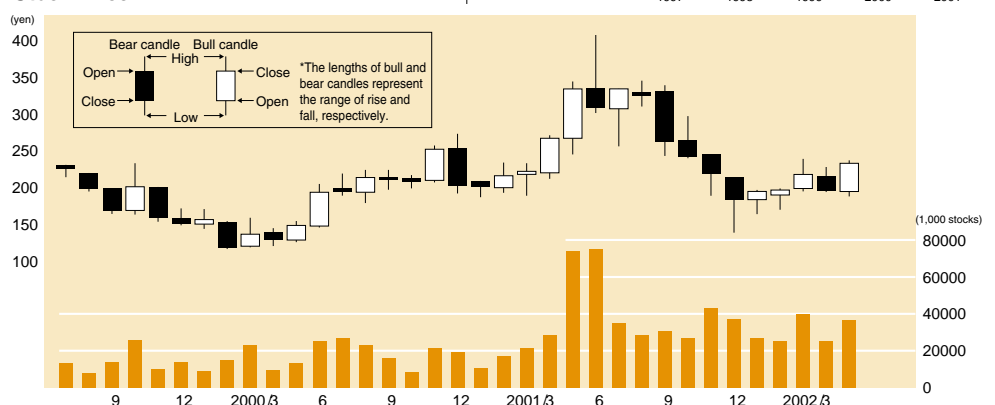
### Operating profit



### Working profit



### Stock Price



## Corporate Profile

**Name:** Cosmo Oil Co., Ltd.

**Headquarters:** Toshiba Bldg., 1-1-1,  
Shibaura, Minato-ku, Tokyo 105-8528, Japan

**Telephone:** +81-3-3798-3211

**Established:** April 1, 1986

**Capital:** 51,887 million yen

**Major business activities:** Petroleum refining and sales

**Net sales:** 1.563 trillion yen

**Ordinary profit:** 4 billion yen

**Current term net profit:** -9.8 billion yen

**History:** On April 1, 1986, Cosmo Oil Co., Ltd. was formed through the merger of Daikyo Oil Co., Ltd., Maruzen Oil Co., Ltd., and the former Cosmo Oil (Cosmo Refining), a subsidiary of both companies. In 1989, Asian Oil Co., Ltd. was merged into Cosmo Oil.

**Employees:** 1,892

**Branches:** Fukuoka, Hiroshima, Kanto, Nagoya,  
Osaka, Sapporo, Sendai, Takamatsu, Tokyo

**Refineries:** Chiba, Sakai, Sakaide, Yokkaichi

**Research laboratory:** Research and Development  
Center

**Service stations:** 5,541

### Cosmo Oil Co., Ltd. Group

**Oil refining and sales:** Cosmo Oil Co., Ltd.  
86 subsidiaries, 54 affiliates

### Crude oil development and production:

Abu Dhabi Oil Co., Ltd.; Mubarraz Oil Co., Ltd.;  
United Petroleum Development Co., Ltd.; four other  
companies

### Import and export of crude oil and petroleum

**products:** Cosmo Oil International Pte. Ltd.; Cosmo  
Oil (UK) Plc.; two other companies

### Ocean transport of crude oil and petroleum

**products:** Cosmo Tanker Co., Ltd.; Nippon Global  
Tanker Co., Ltd.

**Production and sales of lubricating oil:** Cosmo Oil  
Lubricants Co., Ltd.

**Petrochemical product production:** Cosmo  
Matsuyama Oil Co., Ltd.; Maruzen Petrochemical  
Co., Ltd.

**Petroleum product sales:** Cosmo Petroleum Gas  
Co., Ltd.; Cosmo Asphalt Co., Ltd.; Cosmo Oil  
Service Co., Ltd.; Toyo Kokusai Oil Co., Ltd.; 61  
other companies

**Cargo handling and transport:** Cosmo Kaiun Co.,  
Ltd.; Tokyo Cosmo Logistics Co., Ltd.; Sakaide  
Cosmo Kosan Co., Ltd.; 21 other companies

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**Technical research:** Cosmo Technology Research  
Institute, one other company

**Real estate:** Cosmo Ventures Inc.; two other  
companies

**Others:** Cosmo Engineering Co., Ltd.; Cosmo Trade  
& Service Co., Ltd.; 29 other companies

### Product sales

(Unit: thousand kiloliters/thousand tons)

Gasoline, naphtha: 16,552

Diesel fuel, kerosene: 13,749

Heavy fuel oil: 9,823

Others: 3,321

### Major customers:

Cosmo Oil special agents, public utility  
corporations, corporate customers, others

### Major shareholders:

The UFJ Bank, Ltd 4.99%

The Industrial Bank of Japan, Ltd.\* 4.99%

Japan Trustee Services Bank, Ltd. 4.91%

Mitsui Sumitomo Insurance Company, Ltd. 3.63%

The Mitsubishi Trust and Banking Corporation 3.23%

The Kansai Electric Power Co., Inc. 2.94%

Cosmo Oil Employees Shareholding Association 2.93%

The Tokio Marine and Fire Insurance Co., Ltd. 2.58%

The Yasuda Fire and Marine Insurance Co., Ltd. 2.29%

The UFJ Trust Bank Ltd. 2.02%

Note: all data for fiscal year 2001

\* Presently, "Mizuho Corporate Bank, Ltd."

### The Japanese petroleum refining and sales industry

Number of companies: 24 (as of April 2002)

Annual sales: 17.782 trillion yen (FY 2001)

Dependence on petroleum imports 99.7% (FY 2001)

(Source: Data from Petroleum Association of Japan)