

## Fairness and integrity

The Cosmo Oil Group recognizes the importance of acting with fairness and integrity as a member of society. We created the Cosmo Oil Group Corporate Ethics Regulations (including Corporate

Behavior Guidelines) in April 2003 to reinforce legal and regulatory compliance in our business activities. The Behavior Guidelines illuminate how we should behave and what applicable laws and codes exist in relation to stakeholders, such as individuals and companies.

## The Cosmo Oil Group Corporate Behavior Guidelines

### Chapter 1: Consumers and users

#### Developing and providing high quality products and services

##### Assuring quality and safety of products

Applicable law: Product Liability Law  
 Applicable codes: Code of Quality Assurance Policies, Complaint Handling Policies and Procedures, Guidelines for Product Liability

##### Conducting fair transactions with customers

Applicable laws: Law Against Unjustifiable Premiums and Misleading Representation  
 Consumer Contracts Law

Applicable code: Compliance Manual for Law Against Unjustifiable Premiums and Misleading Representation

##### Managing customer information

Applicable law: Act for Protection of Computer Processed Personal Data held by Administrative Organs  
 Applicable code: Information Management Provisions

### Chapter 2: Suppliers and competitors

#### Relations with authorized dealers and allied companies

##### Complying with antitrust laws

Applicable law: Antimonopoly Law  
 Applicable code: Compliance Manual for Antimonopoly Law

##### Conducting fair transactions with suppliers

Applicable law: Antimonopoly Law, Subcontracting Law  
 Applicable codes: Compliance Manual for Antimonopoly Law, Purchasing Code

##### Respecting privacy and intellectual properties of others

Applicable laws: Unfair Competition Prevention Law, Copyright Law, Patent Law, Trademark Law

### Chapter 3: Shareholders and investors

#### Disclosure of corporate information

##### Prohibiting insider trading

Applicable law: Securities Exchange Law  
 Applicable code: Code for Prohibition of Insider Trading

##### Prohibiting payoffs

Applicable law: Commercial Code

### Chapter 4: Society

#### Development of local communities

#### Safety of operations

Applicable codes: Environment and Safety Administration Code, Rules for the Environment and Safety Countermeasures Headquarters

#### Environmental protection activities

Applicable codes: Environment and Safety Administration Code, Rules for the Global Environment Committee

#### Social actions

##### Information disclosure

##### Security and export control

Applicable law: Foreign Exchange and Foreign Trade Law

Applicable code: Security and Export Control Policy

##### Breaking off relations with antisocial forces

Applicable law: Anti-Organized Crime Law

##### Activities outside of Japan

### Chapter 5: Political and governmental affairs

#### Building healthy and normal relations

Applicable law: National Public Official Moral Code

#### Compliance with regulations on political donation

#### Prohibiting corrupt practices

Applicable laws: Bribery charges (Criminal Law), Unfair Competition Prevention Law, OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions

### Chapter 6: Employees

#### Respecting human rights and prohibiting discrimination

#### Compliance with labor regulations

#### Providing a safe and better working environment

#### Respecting individuality

### Chapter 7: The company and corporate assets

#### Adequate accounting procedures

Applicable code: Accounting manual

#### Adequate management and use of company assets

#### Protecting intellectual property

#### Control of confidential information

Applicable code: Information Control Provisions

#### Proper management and use of information systems

Applicable code: Code for Information System Control

#### Avoiding conflicts of interests

(excerpt)

### Promotion of corporate ethics

In April 2003, we created the Corporate Ethics Regulations (including Corporate Behavior Guidelines) and put them into effect. At the same time, to facilitate implementation of the Regulations, we created the Cosmo Oil Group Corporate Ethics Committee, which is chaired by the president of Cosmo Oil Co. We also established the Cosmo Oil Group Corporate Ethics Promotion Office to support the Committee, and a telephone and e-mail helpline managed by the office for employees to discuss or report their concerns. In each company of the Cosmo Oil Group, the president is responsible for promoting corporate ethics, and through these arrangements, we believe that the Group will maintain the public's trust.

### Organizational arrangements to promote environmental activities

In fiscal 2002, Cosmo Oil Co. introduced its own environmental management system, which serves

as an umbrella for the entire company to strengthen and expand its environmental activities. We also placed the Global Environment Committee and the Comprehensive Safety Action Headquarters under the company's Executive Board. These organizational arrangements clarify decision-making processes involving environmental and safety issues, and facilitate the effective implementation of the plan-do-check-action (PDCA) cycle.

### Risk management

We undertake risk management as a fundamental corporate social responsibility. The General Affairs Department takes the initiative in identifying potential risks in all business activities, assessing impacts, and conducting measures to address the risks. The Internal Auditing Office inspects progress with the risk management activities and reports to management every year, enabling the company to identify risks more thoroughly. In fiscal 2002, we started revising our various rules and policies for risk management.

### Organizational structure for environment and corporate ethics

