

Commitment



We Fulfill Our Social Responsibilities and Promote Corporate Management with Integrity so as to Pursue Sustainable Development together with the Society.

As a Member of Society

Every company is a member of society, and is a public institution that exists with people.

The Cosmo Oil Group, with its focus on the oil business, understands that our roles in society are bringing greater convenience to our daily life, and contributing to invigorating industrial activities through the stable supply of energy. It is our mission and responsibility to live in harmony with and achieve sustainable development alongside society by fulfilling our social responsibilities.

In achieving this mission, we recognize the importance of fulfilling our social responsibilities appropriately and contributing to society, while improving economic performance in order to remain as a sustainable business entity.

I believe that we can earn trust and support from our stakeholders by seeking a proper balance between economic viability and social responsibilities. It follows that we can continue to conduct business activities on a sustainable basis, which in turn enables us to further

promote social contributions. It is my belief that this positive spiral leads us to the further enhancement of corporate value, and sustainable development of the Cosmo Oil Group as well as society.

Engaging in CSR Management so as to Realize Our Group Management Vision

It is my recognition that CSR (Corporate Social Responsibility) is equivalent to corporate management where fulfilling social responsibilities and enhancing corporate value are an integral component. It is also my view that CSR constitutes a path to materialization of the Cosmo Oil Group Management Vision. "CSR" may be a relatively new term, but the concept of "a company fulfilling its share of social responsibility" is not new at all, and I believe many corporations have individually realized their social responsibilities through their daily business activities.

At the Cosmo Oil Group, "strengthening CSR management" has been listed as one of the basic policies in the New Consolidated Medium-term Management Plan, initiated in Fiscal 2005, in the course of implement-

ing group-wide CSR management. In reference to the Plan, we shall clarify what should be done while making every continuous effort to do what can be done, and raise CSR consciousness in company staffs by committing ourselves to five major issues including enlightenment, strengthening management system, safety, environment and human rights/personnel.

Practicing Corporate Management with Integrity

The Cosmo Oil Group will celebrate its 20th anniversary of its foundation next year. I sincerely hope that we can continue to maintain and build mutual trust with stakeholders and create “value” that can play an role in the course of sustainable development of society and the environment. To that end, we must first practice sound and reliable management.

In recent years, however, the Cosmo Oil Group has been plagued with a series of incidents such as the partial leakage of information on the Cosmo the Card membership and its unauthorized usage, and the oil spill at the Chiba refinery, causing a great deal of trouble. I extend my deepest apologies and would like to tell we are now taking renewed measures to further reinforce our corporate governance system grounded on compliance, and in particular, to further strengthen our internal auditing function and risk management, so as not to repeat the same sorts of incident.

No matter how strong a system is built, however, reliable business activity cannot be realized if the every company staff that actually run the business does not share the same awareness and conduct themselves accordingly. We make considerable strides in raising awareness in company staffs.

Since we handle hazardous substances on a daily basis, as if very usual with oil business, there is always a possibility of an accident or disaster that causes detrimental effects on community. We intend to make substantial efforts in ensuring safety management and information disclosure in order to prevent accidents or minimize impacts resulting from disaster at every stage of business activities such as production, transportation and sale of crude oil and oil products.

Working to Conserve the Environment on a Global Scale

In light of the history of energy, it can be said that massive energy consumption has placed an enormous environmental impact on the global environment. The Cosmo Oil Group has always considered its active engagement with environmental issues as one of the top management priorities which I think is why we have earned the reputation of being an “Environmentally friendly company, Cosmo”. In cooperation with stakeholders including our customers, we intend to remain committed to improving environmental issues.

The Medium-term Environmental Plan, initiated in

Fiscal 2002, is now approaching its second term. We will continue to strive to reduce the environmental impacts arising from our business activities, and promote research & development for the better quality and use of energy. Also, going beyond the scope of our business, we will continue to engage in activities to support people and communities facing major environmental problems that threaten the sustainability of the earth.

Together with Our Company Staffs

I believe that a company is the sum of its “people”. Business activities cannot go forward without the efforts of each company staff. Aiming to provide a workplace where each company staff can exert their efforts with loyalty and pride, we are continuously improving a work environment and personnel system, while fostering lively corporate culture with high ethical standards. I believe it is of paramount importance for all the company staffs to share the Group vision so as to co-exist and develop with society.



Participating in clean-up activities in extensive forest at the “2005 Clean-up Campaign in Mt. Fuji”.

In this “Sustainability Report”, our determination, concepts and activities have been compiled and introduced which we think are required to realize sustainable society, that is, the Cosmo Oil Group Management Vision.

Through various opportunities in the future, we will provide accurate information in a more timely manner, listen to your voices and reflect them in our management, and improve our business activities. I look forward to hearing your frank opinions and recommendations.

木村 敦一

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