

# Logistics

物流

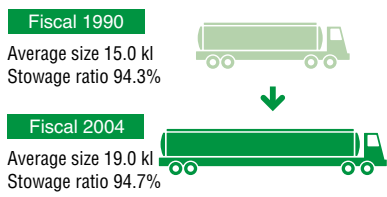
Regardless of whether our operations are conducted on land or sea, we strive to conserve energy by scaling-up and streamlining.



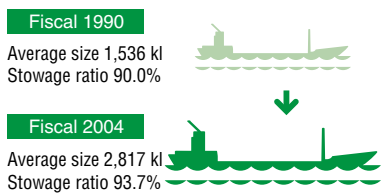
## Streamlining Distribution and Conserving Energy

At Cosmo Oil, we aim to streamline the distribution system from as early a stage as possible by, for example, scaling-up the tanker trucks and coastal tankers, and consolidating oil depots thereby conserving energy.

### Average size and stowage of tanker trucks



### Average size and stowage of coastal tankers



## Land Transportation

Delivery to service stations by tanker trucks as well as oil tanker transportation are the primary ways in which oil products are transported domestically. We are regulating the amount of oil used for delivery and thus promoting energy conservation by increasing the transport volume per truck. Compared to Fiscal 1990, we increased the size of our tanker trucks by 127% in Fiscal 2004. In Fiscal 2003, we introduced DCD (Drivers' Controlled Delivery), and enabled delivery during the late night hours to avoid traffic. This allows us for more efficient transportation, thereby further conserving energy.

## Maritime Transportation

Transportation from the refineries to the distribution bases or oil depots requires the use of coastal tankers with several hundred to several thousand ton capacities. So far, we have been eliminating and consolidating receiving bases so as to increase the size of these tankers, and the stowage ratio in recent years has also increased to approximately 94%, thereby improving the efficiency rate of transportation. In the future, we continue to endeavor to conserve energy by promoting night time transport and a high stowage ratio.

## People's Voice



Akira Sugii  
Cosmo Delivery Service Co., Ltd.

My job is to plan and manage the logistics of land transport for delivering gasoline and diesel fuel to service stations and factories. Every day, I am challenged by how safely and efficiently we can provide regular tanker trucks operations. I am tweaking and verifying the system everyday. The drivers of these trucks are not a machine, and sometimes mistakes are made. In order to prevent such mistakes from happening, we began in 2005 to quantify (based on an evaluation sheet with several tens of items) the individual driving skills and discharging operations, which enables us to provide detailed guidance for further improvements. We also began night time delivery that avoids traffic jams, and formed partnerships with other companies in the same business to formulate delivery plans. We are attempting to minimize inefficiency by introducing and implementing such measures. There have been times, however, when we have had to disregard efficiency to delivery our products to earthquake and typhoon ravaged areas. These are the times that I feel that the fuel products we handle are the lifeline of our lives and industry, and I am reminded of the heavy responsibility my job carries.

Akira Sugii