

Cosmo Oil Group Consolidated Medium-term CSR Management Plan (Fiscal 2005 - 2007)

The Consolidated Medium-term CSR Management Plan was formulated with the objective of reconfirming the social responsibilities of the Cosmo Oil Group as a whole, and carrying out our role as a group in the same direction.

<Framework of the Medium-term Plan>

The framework of the Medium-term Plan consists of major measures which are to be carried out by the Cosmo Oil Group as a whole. Those measures are carried out voluntarily by each affiliated company, business site, department, or office. The measures which are to be carried out by the entire Cosmo Oil Group strive to reinforce the foundation upon which to implement reliable corporate management which serves as the basis of the group's corporate activities, and aim for mutual co-existence and growth of society and the Cosmo Oil Group. While there are various ways in which to approach CSR, the Cosmo Oil Group lists

5 measures as a group.

Meanwhile, since CSR is a concept that is fulfilled only when it is practiced in everyday work, each affiliated company, business site, department, and office are also in the process of devising a vision and measures for independently and voluntarily carry out CSR.

Fiscal 2005 has been earmarked as a year for reevaluating the corporate foundation, as we move forward and implement specific measures as they become possible to implement.

1. Activities at the Cosmo Oil Group

(1) Reinforce the Foundation for implementing Corporate Management with Integrity

1) Thorough awareness of "Social responsibility"

Only after awareness and substantive participation by each person can, we fulfill CSR as a company. It is based on this kind of cohesive awareness that each measure must be carried out.

- We will strive to achieve a shared awareness company-wide, and to continue and strengthen our educational and training programs.

In addition, we will assess on a regular basis the degree to which this awareness is being achieved by conducting company-wide surveys (the "Cosmo Survey").

- At each affiliated company and department, study groups will be implemented and awareness of CSR will be incorporated into daily work objectives so as to reflect CSR as it relates to each area of work in the management and overall business of the company.

2) Strengthening of risk management and the internal audit function

Internal control systems that can be independently managed by each affiliated company or department will be established and their control functions will be reinforced.

- For the improvement the effectiveness of risk management activities, the Risk Management Committee that evaluates risk and formulates measures for the group across the board will be established. Through seminars and simulation training, the sensitivity level towards risk shall be improved.
- In order to strengthen the internal control functions of each affiliated company, self management type risk management activities shall be developed at the affiliated companies.

3) Implementation of thorough safety management (formulate Consolidated Medium-term Safety Plan)

Safe operation in the energy business is the lifeline for the Cosmo Oil Group and for society. A standardized safety management system that applies to the entire Cosmo Oil Group shall be devised, and further improvements in safety levels shall be achieved by promoting voluntary safety practices.

(2) Mutual Symbiosis and Development of Society and the Cosmo Oil Group

1) Upgrading of environmental objectives (formulate Consolidated Medium-term Environmental Plan)

We will promote objectives which contribute to the building of a sustainable society (through environmental conservation activities, contributions, and educational programs), and which reduce environmental risks.

2) Full implementation of human rights/personnel measures

(formulate Consolidated Medium-term Human Rights/ Personnel Plan)

The conduct of each person serves as the fundamentals of corporate activity. We will strive to build a corporate atmosphere in which each individual and the company can fully apply their creative and innovative assets, and promote self realization-oriented, and growth-oriented human rights/ personnel measures that suit a diverse range of lifestyles.

2. Activities at Each Affiliated Company, Business Site, Department, and Office

We outline the social responsibilities that should be fulfilled at each business site and workplace, and formulate policies and action plans for achieving each objective.

Consolidated Medium-term Safety Plan

1. Point of Each Activity

In order to maintain safe operations and stable supply, a Medium-term plan founded on the following 2 pillars will be formulated, and safety management activities will be implemented.

- (1) A safety management system based on voluntary safety will be built.
 - A system that will enable continuous improvements in safety management will be built.
 - Potential dangers will be identified and measures formulated so as to avoid accidents in advance.
 - In order to minimize the impact of an accident or disaster in the unlikely event that it were to occur, the order of measures to be taken shall be reviewed and organized.
- (2) Necessary education and training will be continuously implemented.
 - By continuously implementing education and training, improvements will be made in terms of the knowledge and capabilities necessary for man aging safety.

2. Framework of the Plan

We will implement the following 4 areas in line with the change of social environment and our recognition on safety management in the past.

Theme	Activities
Establishment of the framework for the safety management system	Depending on the work content of each division, a structure by which continuous improvements can be made to safety management shall be put in place. For example, the possible introduction of a management system similar to that of ISO14001 shall be considered.
Identification, evaluation and reduction of potential risks	For the prevention of any accidents or labor related casualties in advance, potential risks shall be identified and evaluated, and measures will be taken concerning those potential risks which indicate the highest degree of risk, so as to reduce risk.
Reinforcement and implementation of the risk management system	Initial structures and communication systems will be reevaluated, the procedures to be followed in the case of an accident or disaster will be reinforced.
Planned implementation of educational training	By continuously implementing education and training, safety management related skills will be improved, and the technical knowledge and skill of veteran company staffs can be handed down.

Consolidated Medium-term Environmental Plan

1. Point of Each Activity

- (1) Reduction of environmental impact: Efforts to reduce various environmental impacts such as measures to prevent climate change or measures to prevent soil contamination, etc. will be implemented.
- (2) Environmental conservation and awareness: Efforts geared towards realizing a sustainable society will be implemented.

2. Framework of the Plan

Theme	Activities
Reduction of Environmental Impact	Prevention of Climate Change Promotion of energy conservation at the production points such as refineries and in transportation Objective: (Cosmo Oil) For each company (subject to this policy) to establish and promote the objective of reducing unit energy consumption by 15% (as compared to the Fiscal 1990 level) during the 1st promise period
	Hazardous Substances/Waste Related Measures* Challenge to reduce industrial waste to zero Objective: (Cosmo Oil) Reduce the landfill rate to less than 1% (average for Fiscal 2005-2007)
	Thorough compliance Thorough management of environmental pollutants, chemical substances, and industrial waste
Soil Environment Measures	Target: production sites such as refineries, oil depots, service stations, and idle land
	Based on the policies of each site, promptly devise measures based on the inspection results, implement measures to prevent outside influence, and carry out strategies for strengthening the management of facilities and operations
Environmental Conservation and Awareness	Promotion of the Office Clean project Reduction of consumption of copy paper, fuel consumption of company cars, and electricity consumption at the office (Establish and implementation structure within Fiscal 2005, and devise consolidated objectives)
	Development of green purchasing Green purchasing of office supplies and other consumable goods, and develop as a group (including all business sites) a bottom-up strategy for engaging suppliers to take part in environmental measures
	Promotion of environmental cooperation and social contributions Promotion of green purchasing of products for each company and business site Social and environmental cooperation activities, Cosmo Oil Eco Card Fund "Living with Our Planet." project, overseas technical cooperation
	Environmental Communication Relaying of information to the entire company and targeted for specific stakeholders, and promoting mutual communication

* Common activities on the scoped 26 group companies

Consolidated Medium-term Human Rights/ Personnel Plan

1. Point of Each Activity

- (1) Personnel measures that respect basic human rights will continue being implemented (basic portion).
- (2) In the spirit of respecting diversity, using "people" as the key word, efforts will be made to realize a "bright and comfortable workplace" and to improve motivation among the company staffs. (Added value portion)

2. Framework of the Plan

Theme	Activities
Human Rights (respect for basic human rights, ban on forced or child labor, etc.)	Implementation of human rights training, conducting of human rights surveys at overseas business sites, study ratification of the Global Compact
Respect for Diversity, Equal Opportunity, etc. (promotion of fair employment and benefits)	Promotion of employment of disabled persons (law: 1.80%), promotion of measures to prevent sexual harassment, etc., practicing of fair employment and benefits
Workplace Health (promotion of mental and physical healthcare measures)	Implementation of stress checkups, measures for preventing damage to health due to overwork, health checkups to be carried out 100%
Training and Development (support of self-education career development)	Promotion of obtaining legal qualifications, support for ability development through which a person can grow, verification of education by class
Benefits (assistance for work/life balance)	Measures responsive to the Law for promoting nurturing of the next generation promotion of child-rearing/ care leave, support for leisure activities
Employment Guarantee/ Job Creation	Measures responsive to the Law for the Stabilization of the Employment of the Aged, promotion of reemployment support services