

Soil Environmental Preservation

Web page <http://www.cosmo-oil.co.jp/eng/sustainable/06/env/soil.html>

We endeavor to prevent soil contamination, and in case we detect any oil leaks, to minimize the impacts on the environment by prompt actions.

Concept

"Soil environmental preservation" is one of the most important themes in the Consolidated Medium-Term Environmental Plan. Since August 2004, the Safety and Environment Control Dept. has promoted activities for soil preservation efficiently and systematically. To reduce the risk of contaminating soil, particularly at service stations, we take preventive actions and minimize the effect on the environment if oil spills into soil. In FY2002, we conducted interviews with all the service stations that Cosmo Oil owns about their operating status. Based on the interviews, we started investigating the soil environment of the service stations that Cosmo Oil owns, starting with the service stations that have a higher risk profile, e.g. those that have old facilities such as single-hull tanks. We also gave instructions to our dealers as necessary. We investigated soil at about 180 service stations in FY2005, and subsequently plan to investigate around 100 to 140 service stations per year. In FY2005, about 700 million yen was incurred for these soil conservation measures at our service stations and other sites.

Early detection of soil contamination at service stations and preventive actions

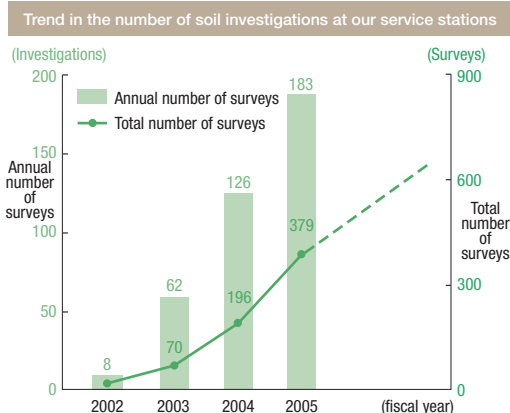
Reinforcing the facilities

We install facilities with an extremely low risk of a leak at new service stations, such as double-hull tanks to prevent oil leak, and resinous pipes not subject to corrosion. We are also working hard to upgrade facilities and equipment of old service stations by changing pipe materials, reinforcing pipes, or using an electrical anti-corrosive treatment.

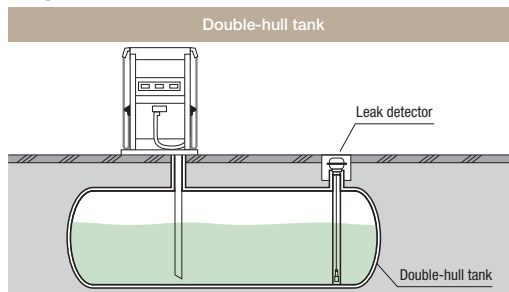
Education

To improve the awareness of soil environmental preservation, we make sure that all the operators of all our service stations take the training course of SS risk management. In this training, we provide examples of soil contamination and how to carry out daily checks to raise their awareness. We also conduct environmental management point inspections to check the status of control (see page 18).

▼ Graph 4



▼ Figure 6



COLUMN

Action after a service station is closed

When a service station owned by Cosmo Oil is closed down due to a change of the owner or operator, we always conduct a soil investigation at the site. If any contamination is detected, we properly improve the soil by means of recycling or bio-remediation.