

Relationship with Our Customers

<http://www.cosmo-oil.co.jp/eng/sustainable/07/soc/index.html>

We strive to offer safe and reliable service to ensure that our slogan “Filling Up Your Hearts, Too” is meaningful to all our customers.

▶ Cosmo Oil Self-Service Stations

A notable trend in customer consumption has been a shift toward the use of self-service stations. As of the end of March 2007, the ratio of self-service stations in Japan was 13.1%, as compared with 18.1% of self-service stations operated by the Cosmo Oil Group, which is well above the industry average. Moreover, amid intensifying market competition among self-service stations, we aim to establish Cosmo Oil self-service stations that possess superb car care sales capabilities to meet diversifying customer needs.

▶ Cosmo Academy

The Cosmo Academy supports the development of service station staff, who are the main point of contact with our customers. The academy provides training that enables employees at every level, from new employees to managers, to acquire qualifications as well as gain other skills such as technical sales. Additionally, through establishing a call center for car maintenance and providing the latest auto-related information via the Internet, the academy supports the efforts of service station staff to swiftly respond to customer needs.

▶ Cosmo the Card

Customers have become keenly aware of gasoline prices due in part to the rise in gasoline prices caused by soaring crude oil prices. Amid such circumstances, our Cosmo the Card credit card enables customers to purchase gasoline at a more economical members' rate, thus supporting our efforts to build long-term relationships with customers. Further, in June 2006 we launched a membership drive for Cosmo the Card Opus through an alliance with Aeon Credit Service Co., Ltd., a member company of the AEON Group, which is the leading operator of integrated supermarkets. This has enabled us to maximize revenues through the acquisition of new cardholders.

 **WEB** Detailed information Cosmo the Card/Self-Service Stations
<http://www.cosmo-oil.co.jp/eng/sustainable/07/soc/index.html>


▶ “Filling Up Your Hearts, Too” Declarations

In fiscal 2007, service stations in the Cosmo Oil Group made a set of declarations known as the “Filling Up Your Hearts, Too” Declarations. We make and fulfill these promises to our customers to strengthen our commitment to Cosmo Oil’s motto of “Filling Up Your Hearts, Too.” In the current fiscal year, we will conduct surveys to confirm whether these three declarations are being put into practice.

- Cosmo Oil service station outlets will be clean and customers will be greeted with a smile.
- Cosmo Oil service stations will offer quality assured products and services.
- Cosmo Oil service station staff will be responsible for their answers to customers’ queries.

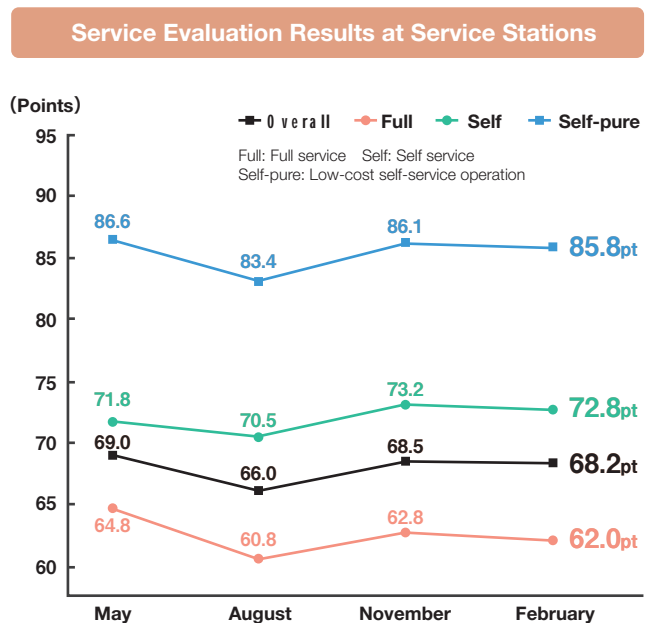
▶ Customer Center

In October 2000, we opened the Cosmo Customer Center to facilitate two-way communication with our customers. In fiscal 2006, customers contacted the center on 5,778 occasions via a toll-free telephone number or e-mail. We collect, classify, and analyze customer feedback to respond accurately, quickly, and politely, as well as convey such input as soon as possible to the relevant departments. In this way, we work to ensure that comments are reflected in improvements to our services and business operations, and in turn further increase customer satisfaction.

 0120-530-372 (Japan only)

▶ Service Evaluation at Our Service Stations

To ensure that the four basic requirements of friendliness, cleanliness, high quality, and sense of security are put into practice to the greatest extent possible, we implement monitoring surveys from the customer’s point of view. In fiscal 2006, we conducted these surveys four times. Results were analyzed quickly and provided as feedback to be used in initiatives geared toward improving service stations.



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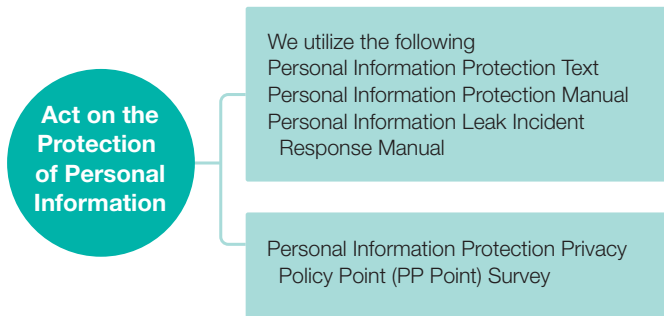
► CSR at Cosmo Oil Service Stations

Cosmo Oil Group service stations undertake the following initiatives as part of CSR-based management.

Thorough Implementation of Compliance

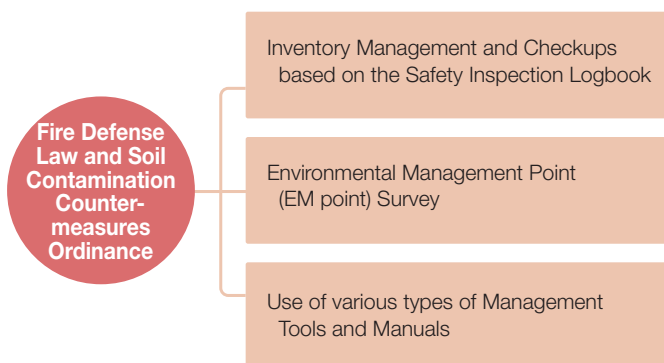
The Cosmo Oil Group publishes the *NAVI Guidebook*, a pamphlet for Cosmo Oil service stations and dealers that lists and describes major laws that pertain to service stations. The guidebook instructs employees involved in the retail business as well as dealers and Cosmo Oil service stations in thoroughly adhering to these laws.

Keeping in mind the importance of adhering to all of these laws, we undertake the following activities with regards to the Act on the Protection of Personal Information, the Fire Defense Law and Soil Contamination Countermeasures Ordinance.



Every six months we conduct a point-based privacy policy point (PP point) survey and a survey on the status of personal information management. With 100 points being a perfect score, we take action to realize improvements in categories as required. In the latter half of fiscal 2006, the average score was 76.4 points, an improvement of 3.9 points from the first half of the fiscal year.

WEB Detailed data Personal Information Protection Privacy Policy Point (PP Point) <http://www.cosmo-oil.co.jp/eng/sustainable/07/soc/customer.html>



Environmental management point (EM point) inspections are carried out every six months. We conduct inspections of service stations as well as examine the state of inventories, industrial waste countermeasures, and facilities. In the latter half of fiscal 2006, we achieved a record-high 82.6-point average out of a perfect score of 100 points.

WEB Detailed data Environmental Management Point (EM Point) <http://www.cosmo-oil.co.jp/eng/sustainable/07/env/management.html>



Wheelchair access ramp

Activities that Contribute to Society and the Environment

●Service Stations that are Friendly to People, Society, and the Earth
Recognizing that service stations are the primary point of contact with customers, we are initiating measures to develop service stations that are friendly to people, society, and the Earth. In preparation for the full-scale launch in fiscal 2007, Cosmo Oil introduced the following initiatives on a trial basis at its service stations during fiscal 2006 in accordance with its own established standards.

Friendly to People

We are operating barrier-free service stations with ramps for wheelchair access and rest rooms with wide stalls as standard features.

Friendly to Society

We are cooperating with local communities through the establishment of a distribution structure to ensure stable supplies of petroleum products for emergency vehicles (Business Continuity Plan).

Friendly to the Earth

In terms of physical resources, we are installing energy-saving lights and reusing wastewater in car wash equipment. Regarding systems and processes, we are implementing environmental management point (EM point) surveys and risk management training to raise awareness of environmental preservation.

●Stable Supplies of Petroleum Products in the Event of a Disaster

To secure stable supplies of petroleum products in the event of a disaster, we have undertaken efforts to develop our Business Continuity Plan (BCP). With respect for human life being our highest priority, we will maintain stable supplies of petroleum products to the greatest extent possible, while providing support for the prevention of secondary disasters and the recovery and restoration of damaged areas. As one aspect of our BCP, we are developing stations that respond to disasters as “lifeline support service stations.” In October 2007, we will introduce this plan at approximately 50 directly operated service stations in the Tokyo metropolitan area. Lifeline support service stations will further strengthen our ability to respond to disasters with physical resources as well as systems and processes, as we make preparations to ensure stable supplies of petroleum products in the event of a disaster.

We will also install generators or pumps at these lifeline support service stations to provide stable supplies of petroleum products in the event that electricity or other essential services fail. We are also considering the installation of large-sized generators and water storage facilities with a view to supporting the lifelines of local communities.