

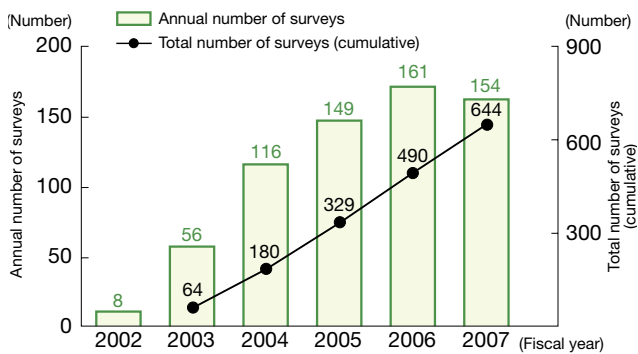
# Soil Preservation

We are promoting soil preservation by preventing soil contamination and responding quickly to minimize the environmental impacts of any oil leaks.

## Policy

“Soil preservation” is one of the crucial themes of the Consolidated Medium-Term Environmental Plan. In August 2004, we set up a specialist department that has been efficiently and systematically promoting initiatives for soil preservation. To reduce the risk of contaminating soil, particularly at service stations, we take preventive measures and strive to minimize the environmental impact in the event of an oil leakage. In fiscal 2002, we carried out interviews about the operating status of service stations affiliated with the Cosmo Oil Group. Based on these interviews, we began systematically surveying the soil environment at service stations owned by Cosmo Oil, placing priority on service stations with a higher risk profile, including those possessing older facilities such as single-shell tanks. We also provided instructions and guidance to our dealers when necessary. In fiscal 2007, we surveyed soil at approximately 150 service stations and plan to continue to implement surveys at 100 to 140 service stations annually, with completion of all stations currently owned by the Company scheduled by 2010. In fiscal 2007, approximately ¥1.2 billion was expended for these soil preservation measures at service stations and other sites.

◆ Number of Soil Surveys at Service Stations Owned by Cosmo Oil

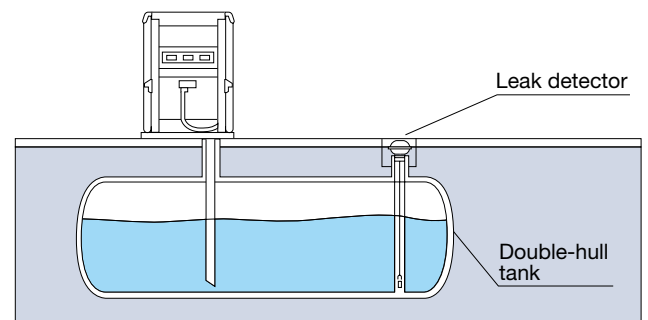


## Early Detection of Soil Contamination at Service Stations and Preventive Measures

### Reinforcing Facilities

At Cosmo Oil's new service stations, we are proceeding with the installation of equipment and facilities that have an extremely low risk of leakage, including double-hull tanks that prevent oil leakage and plastic pipes that do not corrode. Meanwhile, at older service stations, we are working to upgrade facilities and equipment by replacing and reinforcing pipe materials and using electrical anti-corrosion treatments. We have also built a communication contact structure that prevents failures or delays in making necessary contact. For example, this structure ensures that engineering staff immediately contact the department in charge if an irregularity is discovered during inspections. In addition, we are installing high-performance oil-surface meters and FRP protectors at new and remodeled service stations, and are working to further strengthen early discovery and preventive measures.

◆ Double-Hull Tank



### Educational Activities

We carry out Environmental Management Point (EM Point) surveys at all service stations twice per year. By doing so, we can objectively evaluate inspections undertaken at service stations, while the stations can reaffirm their awareness of daily environmental management and raise their appreciation of preserving the soil environment.

## Column

### Development of groundwater and soil purification technology

Bioremediation is a technology that utilizes microorganisms to clean environments such as water and soil. Cosmo Oil participated in the PEC project and examined the types and amounts of nutrients needed to activate microorganisms as well as the way in which decomposition occurred in a variety of groundwater flow and soil conditions. We are working to develop effective purification technologies, such as groundwater purification technologies using purification walls applying bioremediation.

◆ Purification Wall Mechanism

