

# Relationships with Our Customers

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

## Initiatives at Service Stations

### Cosmo Oil Self-Service Stations

A notable trend in customer consumption has been a shift toward the use of self-service stations. As of March 31, 2008, the ratio of self-service stations in Japan was 16.1%, as compared with a ratio of 21.0% for the Cosmo Oil Group, a figure well above the industry average. In this context, and amid intensifying market competition among self-service stations, we aim to establish Cosmo Oil self-service stations that realize superb sales capabilities through car care service and goods to meet diversifying customer needs.

### Cosmo the Card

Customers are more keenly aware of gasoline prices as soaring crude oil prices drive up prices. 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. Furthermore, 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.

### 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 improve upon maintenance skills and sales aptitude. 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.

## "Filling Up Your Hearts, Too" Declarations

As part of Cosmo Oil's NAVI sales promotion program, we began the "Filling Up Your Hearts, Too" Declarations in fiscal 2007 as a new program. We make and fulfill these promises to our customers to strengthen our commitment to Cosmo Oil's motto of "Filling Up Your Hearts, Too." Three Promises were made in fiscal 2007, and Cosmo Oil carried out inspections to confirm that they were being put into practice.

**"Filling Up Your Hearts, Too"  
Declarations: Three Promises**

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

Beginning in fiscal 2008, "Filling Up Your Hearts, Too" Declarations became the name for Cosmo Oil's NAVI sales promotion program. This initiative was revised to encompass not only structural reforms at service stations, but also to ensure that CSR is fulfilled and customer satisfaction improved.

### Service Evaluation at Service Stations

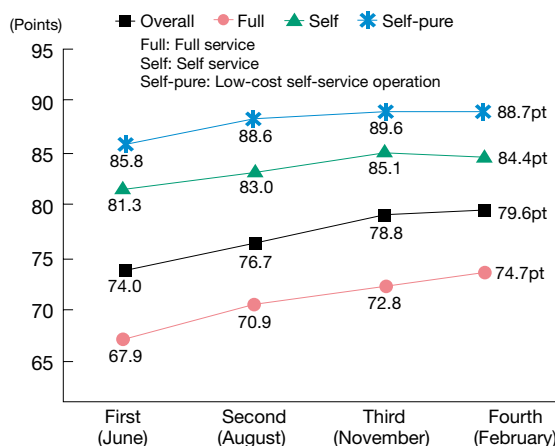
We implement monitoring surveys from the customer's point of view to assess the level of comfort, peace of mind and trust provided by service stations and check that the Three Promises made to customers are being met. In fiscal 2007, four such surveys were carried out, and the results were used to provide feedback to the service stations and improve service.

## Column

### Customer Center

In October 2000, we opened the Cosmo Customer Center to facilitate two-way communication with our customers. In fiscal 2007, customers contacted the center on 4,756 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 the Company's services and business operations, and in turn, further increase customer satisfaction.

### Service Evaluation Results at Service Stations



# Relationships with Our Customers

## 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 adherence 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.

#### Act on the Protection of Personal Information

We utilize the following:

- *Personal Information Protection Text*
- *Personal Information Protection Manual*
- *Personal Information Leak Incident Response Manual*

Personal Information Protection Privacy Policy Point (PP Point) Survey

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 2007, the average score was 79.6 points, an improvement of 1.1 points from the first half and an improvement of 3.2 points from the second half of fiscal 2006.

#### Fire Defense Law and Soil Contamination Countermeasures Ordinance

Inventory management and checkups based on the *Safety Inspection Logbook*

Environmental Management Point (EM point) Survey

Use of various types of management tools and manuals

We also conduct environmental management point (EM point) surveys and inspections of service stations as well as examine the state of inventories, industrial waste countermeasures, and facilities every six months. Points are given (total of 100 points) and efforts made to improve weak areas. The average score in the second half of fiscal 2007 was 84.6, a 0.6-point improvement from the first half and a 2.0-point improvement from the second half of fiscal 2006.

## 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. The following initiatives were introduced from fiscal 2007.

- **Wheelchair access ramps**
- **Restrooms with wide stalls as a standard feature**
- **Cooperation with local communities:** Establishment of a distribution structure to ensure stable supplies of petroleum products for emergency vehicles as part of the BCP (Business Continuity Plan)
- **Facilities:** Installation of energy-saving lights
- **Systems and processes:** EM point surveys and risk management training to raise awareness of environmental preservation



Wheelchair access ramp

### Column

#### 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 as the 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 the BCP, we are equipping approximately 50 service stations that will serve as "lifeline support service stations" with generators and hand pumps so that they can respond to power outages caused by disasters. In this way, we are developing systems to ensure that the Company can promptly supply petroleum products in the event of a disaster.

In addition to reinforcing facilities as well as systems and processes for disaster response, we are considering expanding the number of service stations in this program.

