



Customer Satisfaction and a Stable Energy Supply

The Cosmo Oil Group dependably delivers products and services that earn customers' trust and satisfaction.

Partnerships with Oil-Producing Countries for a Stable Energy Supply

For more than 40 years, the Cosmo Oil Group has been building a strong relationship founded on mutual trust with the oil-producing United Arab Emirates (UAE). The Group's ties are particularly close with the Emirate of Abu Dhabi and extend to economic, cultural, educational and environmental matters. In 2007, the Group further strengthened its relationship with the UAE through its affiliation with the International Petroleum Investment Company (IPIC)¹. Cosmo Oil also signed a Memorandum of Understanding in relation to the Strategic Cooperation of Oil Business in April 2008 with Hyundai Oilbank Co., Ltd., in order to ensure maximum stability for the system of Asia Pacific refineries and to build a structure that facilitates the Group's mission of securing petroleum and energy supplies.

The Cosmo Oil Group is also actively pursuing exploration in newly accessible areas of Qatar, as well as increasing production in already-producing oil fields.

While regarding the Middle East as a core area for exploration, the Group is also exploring opportunities in Australia as a sub-core area, with the overall goal of raising the amount of independently developed crude oil to a level equal to 10% of the crude oil imported to Japan as quickly as possible.

¹ IPIC is an investment company fully funded by the Emirate of Abu Dhabi government.

Stable Supplies of Petroleum Products in the Event of 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). Countermeasures to a major earthquake in the Tokyo Metropolitan area are covered in company-wide training, and the Group provides information on emergency shipping operations and other matters stipulated in the Agreement Concerning Uninterrupted Supply of Petroleum Fuel in Times of Major Disaster between the Petroleum Association of Japan and the Tokyo Metropolitan Government. The Cosmo Oil Group is installing hand pumps and power generators at approximately 50 service stations in the Tokyo Metropolitan area to serve as "lifeline support service stations" that can respond to power outages caused by disasters. Following the June 2008 Iwate-Miyagi Inland Earthquake and the July 2008 Iwate Prefecture Northern Coast Earthquake, Cosmo Oil conducted emergency inspections of underground tanks and pipes at its service stations located in areas struck at a magnitude of 6 or higher to ensure that the equipment remained safe to operate.



Hand pump (left) and power generator (right)

Customer Trust in Cosmo Oil Products

In order to provide products that meet the needs of customers and society, The Cosmo Oil Group focuses intently on research into the development of high-quality products. In addition to the Quality Assurance Committee, a decision-making body that deliberates all matters related to product quality, the Group has also established the Quality Assurance Liaison Group and Quality Assurance Meetings at its Head Office. These bodies form a cross-sectional quality assurance structure designed to ensure swift and efficient responses to product quality issues. Refineries, which produce all major products, are certified under the ISO 9001 international standards for quality management systems, and the Group completed the switchover to the New JIS Mark Certification Scheme in October 2008.

Initiatives for Cosmo Service Stations

○ Cosmo Oil Self-Service Stations

The Cosmo Oil Group aims to deliver a high level of car care service at its self-service stations to meet the increasingly diverse needs of customers.

○ Cosmo the Card

The Cosmo Oil Group continues to actively market Cosmo the Card as a means of further deepening its relations with customers. Data derived from card purchases are utilized to provide greater support for customers and their driving needs.

○ Cosmo Academy

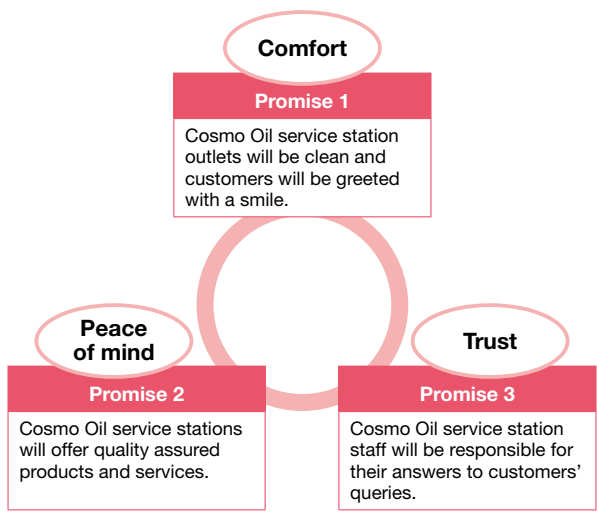
The Cosmo Oil Group focuses on developing the kind of highly trained personnel that customers look for. Providing multifaceted support in the form of employee training, call centers and online education ensures that all Cosmo Oil employees are equipped with the accurate knowledge and superior technical capabilities required to flexibly meet evolving car maintenance demands.

Responding to Customer Feedback

Cosmo Oil has established the Cosmo Oil Customer Center to facilitate greater interaction with customers. In fiscal 2008, customers contacted the center on 4,475 occasions, making 3,195 inquiries and 1,280 comments via a toll-free telephone number or e-mail. The Center's mission is to further improve customer satisfaction by responding quickly to feedback with accurate and detailed answers to customers' questions. Inquiries and comments are immediately relayed to relevant Cosmo Oil divisions so that feedback is swiftly incorporated to improve service and business practices.

“Filling Up Your Hearts, Too” Declaration

The Cosmo Oil Group is actively committed to its “Filling Up Your Hearts, Too” Declaration, establishing the motto “Filling Up Your Hearts, Too” as the Cosmo Oil service station brand image to promote to customers.

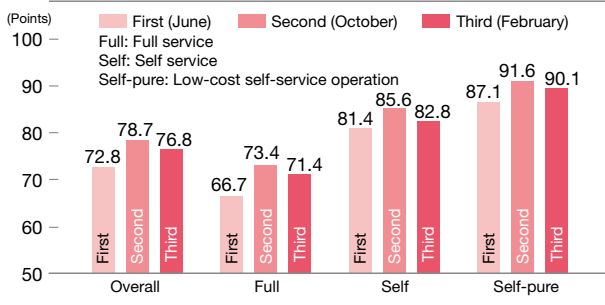


Service Evaluations

The Cosmo Oil Group surveys its customers 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 2008, three service evaluation surveys were carried out at approximately 2,100 service stations. The results of the evaluations were used to provide feedback to the service stations for the purpose of improving services.

“Filling Up Your Hearts, Too” Declaration Service Evaluation Results



CSR at Cosmo Oil Service Stations

CSR Training

The Cosmo Oil Group adheres to all laws and ordinances regulating service stations, particularly the Soil Contamination Countermeasures Act, the Fire Service Law and the Act on the Protection of Personal Information.



CSR training seminar

To provide information on these laws and CSR, 28 training seminars were conducted at 14 locations around Japan in fiscal 2008, attended by dealer owners, division managers, supervisors, service station managers and other dealer employees.

CSR Evaluations

The Cosmo Oil Group conducts a privacy policy (PP) point survey and an environment management (EM) point survey every six months to ensure that the entire Group is in compliance with the laws and ordinances that regulate service stations and other CSR matters. The survey results are incorporated to make necessary improvements in specific areas. In fiscal 2008, about 3,900 service stations participated in these surveys to assess their current status and implement improvements.

In the latter half of fiscal 2008, Cosmo Oil service stations scored an average of 81.7 PP points and 86.8 EM points (with 100 points representing a perfect score), an improvement of 2.1 PP points and 2.2 EM points above respective results year on year.

Average PP and EM Points

