



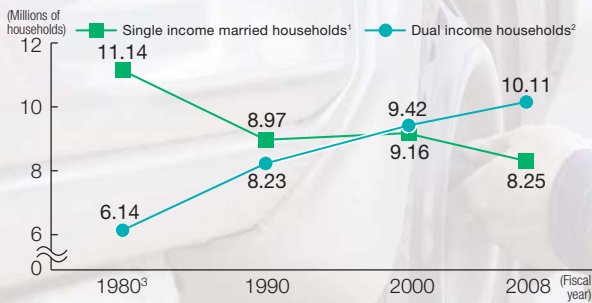
Society today is marked by increasingly diverse lifestyles and values. The Cosmo Oil Group is committed to creating comfortable workplaces that meet these diverse needs.



Statistical Glance at Society

The number of dual income households in Japan has increased dramatically since the 1980s. In the first half of the 1990s, the number of dual income households rapidly approached the large number of single income married households. Subsequently, dual income households have become the clear majority since 2000. As Japan's labor environment continues to evolve, the ability to choose a work style that suits one's lifestyle is essential from the standpoint of a workforce looking to strike a balance between work and home life. The Japanese national government sets numerical targets to promote a healthy work-life balance for employees.

Shift in Number of Dual Income Households



1. A single income married household is defined as a household wherein the husband is employed (excluding employment in agriculture and forestry industries) and the wife is unemployed (not a member of the workforce/completely unemployed).
 2. A dual income household is defined as a household wherein both the husband and the wife are employed (excluding employment in agriculture and forestry industries).
 3. Data dated from 1980 to 2000 is based on the Special Labour Force Survey that is conducted by the Ministry of Internal Affairs and Communications every February (excluding 1980 when the survey was conducted in March). Data for 2008 is based on the Labour Force Survey (Basic Tabulation/Yearly Average Results) also conducted by the Ministry.
 Source: White Paper on Gender Equality 2009 (Gender Equality Bureau, Cabinet Office)

National Work-Life Balance Objectives

Target Indicator	Current Status	2020
Employment rate (women aged 25-44)	66.0%	73%
Percentage of overworked employees (60 hours or more per week)	10.0%	Reduce by half
Annual paid leave rate	47.4%	70%
Childcare leave rate for male employees	1.23%	13%

Source: Excerpt from Action Policy for Promoting Work-Life Balance (Council of Executives of Public and Private Sectors to Promote Work-Life Balance)

Creating Workplaces Conducive to Employee Excellence

The Cosmo Oil Group maintains the utmost respect for each and every one of its employees and is committed to creating a positive, dynamic work environment for employees to allow them to fully demonstrate their abilities. As part of this effort, the Group focuses on achieving greater efficiency in business practices, properly managing employee work hours, and evaluating employee performance in a suitable, fair and just manner that takes the abilities of each individual into consideration.

The emergence of a wide variety of life and work styles in recent years has placed increased pressure on companies to consider employees' "work-life balance." It is important that companies give priority to addressing these needs not only as a matter of corporate sustainability, but also for the continued well being of society at large. As such, the Cosmo Oil Group respects each employee's set of values and approach to life. The Group is therefore committed to helping employees maintain a healthy work-life balance so that employees are able to achieve their life goals.

Second Consolidated Medium-Term Human Rights/Personnel Plan

Introduced in fiscal 2008, the Second Consolidated Medium-Term Human Rights/Personnel Plan sets out initiatives based on six priority themes: improving the sense of participation; respect for diversity and equal opportunity; cultivating personnel and developing skills; promoting physical and mental health care; supporting balance between work and home life; and supporting employment stability and re-employment. In addition, Cosmo Oil has actively focused on human rights and employee issues since 2006 when the Company declared its support for the United Nations Global Compact.



Preventing and Eliminating the Violation of Human Rights

The Cosmo Oil Group established its Human Rights Committee for the purpose of promoting initiatives designed to prevent and eliminate all violations of human rights. The director in charge of the Personnel Department serves as the chairperson of the Committee, which comprises members from each of the Group's operational areas. The Committee meets annually as a rule and promotes basic policies regarding human rights. The Cosmo Oil Group also conducts human rights training annually for upper management at Cosmo Oil and Group companies. In 2009, 84 persons participated in this training.



Human rights training for upper management

Fiscal 2009 Initiatives and Achievements of the Second Consolidated Medium-Term Human Rights/Personnel Plan¹

Degree of achievement: ○ Achieved △ Partially achieved × No progress

Second Consolidated Medium-Term Human Rights/Personnel Plan	Themes		Fiscal 2009 Goals	Fiscal 2009 Results	Achievement of Goal
	Improve the sense of participation	Conduct survey on and increase awareness of personnel regulations and welfare systems	<ul style="list-style-type: none"> Continue publicizing personnel regulations and welfare systems Conduct survey on awareness of welfare systems 	<ul style="list-style-type: none"> Worked to increase awareness through one-on-one support, training and other initiatives; survey on awareness not yet conducted 	△
Respect for diversity and equal opportunity	Promote fair employment	<ul style="list-style-type: none"> Maintain a rate of employment of persons with disabilities of 2% or higher 	<ul style="list-style-type: none"> Rate of employment of persons with disabilities: 2.0% in June 2009 → 2.1% in June 2010 	○	
	Prevent harassment	<ul style="list-style-type: none"> Enhance human rights training targeting harassment prevention, and ensure 80% or higher rate of participation among employees² 	<ul style="list-style-type: none"> Incorporated power harassment prevention as a training theme; 77% attendance rate, a 7-percentage-point increase, year on year 	△	
Cultivate personnel and develop skills	Provide support for career development, and implement in-house recruiting	<ul style="list-style-type: none"> Continue the Career Challenge Program 	<ul style="list-style-type: none"> Continued to implement Career Challenge Program 	○	
Promoting physical and mental health care	Prohibit overwork, and institute supplemental health exams	<ul style="list-style-type: none"> Ensure that the average annual work hours of employees² does not exceed 1,900 Continue offering specialized healthcare advice 	<ul style="list-style-type: none"> Average annual work hours of employees²: 1,900 Continued offering specialized healthcare advice 	○	
Supporting balance between work and home life	Continue promoting childcare leave and supporting leisure activities	<ul style="list-style-type: none"> Maintain or improve the average number of paid leave days taken by employees² Continue promoting childcare leave and supporting leisure activities 	<ul style="list-style-type: none"> Paid leave taken by employees² was 15.8 days, a 22% increase from the benchmark year of fiscal 2006 Childcare leave taken by 6 employees: 4 female employees (including all eligible female employees) and 2 male employees 	○	
Support employment stability and re-employment	Support re-employment and rehiring	<ul style="list-style-type: none"> Continue to support re-employment and rehiring 	<ul style="list-style-type: none"> 63 senior employees hired from among 122 eligible candidates 66 employees participated in life design training, and 22 employees participated in second career training 	○	

1. Data covers employees at Cosmo Oil Co., Ltd. (including those temporarily dispatched).
2. Excluding shift-work employees

1 Live up to customer expectations concerning reliability and satisfaction

2 We aspire to become a safe, accident-free company

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4 We take care of the global environment

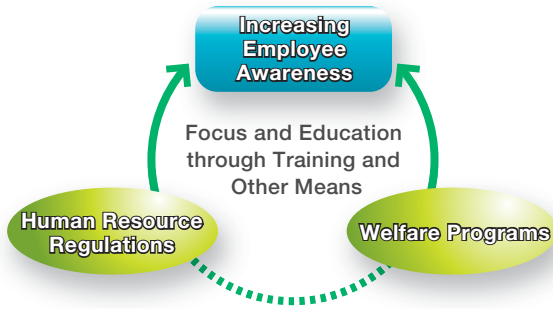
5 We value communications with society

6 We strive to maintain our position as an honest company

Promoting Dynamic Working Environments

Increasing Awareness of Programs

Cosmo Oil has a wide array of personnel regulations and employee welfare programs in place and is gradually increasing awareness of these by creating opportunities to educate employees and by providing one-on-one counseling. The Group will continue to increase awareness by educating employees through training sessions and other means.



Instituting the Career Challenge Program

Cosmo Oil established its Career Challenge Program in fiscal 2008. This move constituted a shift from the conventional job recruitment system (in which departments seek out employees) to a job application system (in which employees approach departments), thereby allowing employees to take the initiative in applying for the jobs and positions they like. The goals of this system are to foster a work environment where enthusiastic and motivated employees are able to challenge themselves and to create opportunities for employees to develop careers that reflect their individual interests. The Group expects the system to provide employees the opportunity to take on challenging positions and utilize all of their skills in their jobs.

Number of Employees (as of March 31, 2010)¹

		Men	Women	Total
Cosmo Oil	Unlon members	1,505	224	1,729
	Management positions	389	4	393
	Others ²	55	3	58
	Subtotal	1,949	231	2,180
Group companies ³	Unlon members	780	95	875
	Management positions	263	0	263
	Others ²	6	1	7
	Subtotal	1,049	96	1,145
Total		2,998	327	3,325

1. As of fiscal 2009, data includes senior employees, but excludes workers seconded from outside organizations.
 2. "Others" includes 64 senior employees and 1 employee hired on a trial basis.
 3. Number of employees at Group companies includes temporarily dispatched employees of Cosmo Oil Co., Ltd.

Extensive Support for Re-Employment

In April 2006, Cosmo Oil adopted a senior employee system. As of the March 31, 2010, 164 employees throughout the Group were employed under this system. In fiscal 2009, the Group also introduced Life Design Training for employees aged 55 and Second Career Training for employees seeking training before they retire.

Voice



Norio Yoneda
 Cosmo Business Support Co., Ltd.

Working as a Senior Employee

It has now been a year since I started working as a senior employee. Looking back at that year, I can't say that I've felt any major difference, psychologically, between this year and any other previous year of my career here. Although my current position requires me to draw on my past working experience, because of the many new tasks that I am tackling, I sometimes get lost. The private joy, however, that I feel when I overcome such obstacles to get the job done, reminds me of when I was working at my very first job. My coworkers have also been extremely kind in lending me a hand, and I am enjoying my work as a senior employee.

Respect for Human Rights to Provide Equal Opportunity

In fiscal 2009, the Cosmo Oil Group incorporated human rights training into its corporate ethics curriculum, to focus specifically on the theme of power harassment prevention. The Group will continue to conduct educational activities that create truly positive work environments where every employee is committed to taking a zero tolerance stance on power harassment. Under this training scheme, the Group aims to get employees to understand that the key to resolving power harassment is respect for human rights.

Cosmo Oil has also voluntarily set a rate of employment of persons with disabilities to 2.1% (as of June 2010), higher than the legally mandated rate of 1.8%. In addition to raising awareness of these issues among employees, the Group is committed to creating working environments that ensures all of its employees are able to work enthusiastically and with peace of mind.

Detailed information: The United Nations Global Compact Initiatives
<http://www.cosmo-oil.co.jp/eng/csr/globalcompact.html>

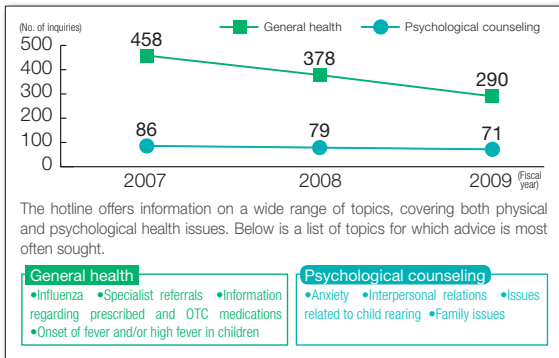
Promoting Physical and Mental Health Care

The Cosmo Oil Group has begun working with the Cosmo Oil Health Insurance Society to introduce a special health guidance system to take over the special health checks mandated since fiscal 2008. The Group has also been promoting its flextime system to reduce the number of total hours worked, while taking measures to encourage employees to take annual paid days of leave. As a result, the average work hours of employees in fiscal 2009 totaled 1,900 hours, a reduction of 16 hours¹ over the previous fiscal year. The Cosmo Oil Health Insurance Society operates

the Group's Health and Counseling Online Hotline staffed with specialists in psychology, psychosomatic medicine and other fields. This hotline gives employees and their families immediate access to responsible answers and advice on a wide range of topics.

1. In fiscal 2009, Cosmo Oil revised its methods for calculating total hours worked at Group companies to more accurately reflect actual conditions.

Number of Inquiries Submitted to the Health and Counseling Online Hotline



Voice



Encouraging Employees to Stay Healthy

As a nurse, my job is to plan and carry out physical examinations for our employees, set up consultations with doctors for employees who are overworked, and conduct follow up exams. To help our employees stay healthy, it is important for them to be aware of, and take steps to maintain, their own health. Our doctors and nurses, including myself, work hard every day to support our employees in this regard. It is, in fact, our ultimate duty. Demographically, Cosmo Oil employees include a large number of older workers. For this reason, we see a high incidence rate of health problems related to blood pressure, fat and sugar metabolism, as well as increased risk of cerebrovascular and heart disease among employees. To ensure that each and every one of our employees stays healthy, Cosmo Oil will work in conjunction with local offices to continue to increase awareness among employees about the need to manage their health.

Akiko Okude

Health Center, Personnel Department, Cosmo Oil Co., Ltd.

Striking a Balance between Work and Home Life

The Cosmo Oil Group believes that providing a work environment that enables employees to comfortably balance their work and private lives is key to both maintaining motivation among personnel and to retaining a pool of talented workers. With this in mind, the Group has stepped up efforts to make it easier for employees to balance childrearing and work responsibilities. As a result, all four eligible female employees, and two male employees, took childcare leave in fiscal 2009. Although relatively few male employees have taken childcare leave, the Group recognizes that measures to increase this number are necessary.

The Cosmo Oil Group has continued to implement a company-specified holiday system¹ to encourage employees to use annual paid days of leave. As a result, an average of 15.8 annual paid leave days have been taken, an increase of 0.3 days from the previous fiscal year, and an increase of 2.9 days from the benchmark year of fiscal 2006. The Group also introduced the Cosmo Well Box welfare program which can be used in conjunction with travel, leisure and a variety of life plans in fiscal 2008. In fiscal 2009, this program continued to have an extremely

high rate of usage and significantly contributed to the work-life balance of Cosmo Oil employees.

- Company-specified holiday system: The Company specifies three days of annual paid leave for each employee at the beginning of each fiscal year.
- Kurumin Mark: Indicates that a company or enterprise has been certified by the Ministry of Health, Labour and Welfare for implementing support for childrearing as a measure to counter Japan's declining birthrate.

Voice



My Childcare Leave

I took a month of childcare leave just before my wife went into the hospital to give birth to our child. Thanks to this leave package, I was able to be with her when she went into labor, gave birth, and after she came home from the hospital. I believe that by being with her I was able to share some of her anxiety before and after the birth. Once she was home, we were able to share in every aspect of caring for our child, which was a first for us. Being there with her to deal with the anxieties and to experience the daily changes in my child's first month of life was something that I will always treasure.

Haruki Kanazashi

Accounting Department, Cosmo Oil Co., Ltd.



Kurumin Mark

Number of Employees Taking Maternity and Childcare Leave and Support Courses for Returning to Work; and Child Care Leave Rate¹

	Fiscal 2007		Fiscal 2008		Fiscal 2009	
	Women	Men	Women	Men	Women	Men
Maternity leave	8	0	5	0	6	0
Childcare leave ²	4 (7)	1 (1)	7 (12)	1 (1)	4 (10)	2 (2)
Support courses for returning to work	8	0	7	0	2	0
Childcare leave rate (%)	75%	—	100%	—	100%	—

1. Data covers employees at Cosmo Oil Co., Ltd. (including those temporarily dispatched).

2. Figures show the number of employees who applied for leave in the corresponding fiscal year and figures in parentheses show the number of employees who took leave.

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