

**6 We strive to maintain our position as an honest company**

**It all begins with integrity in corporate practices. The Cosmo Oil Group is committed to behaving with integrity as a responsible member of society.**

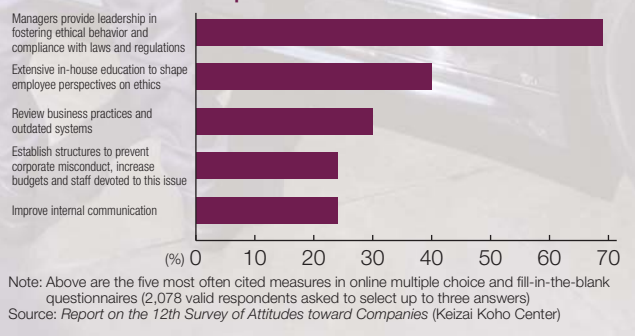
**Statistical Glance at Society**

Since the spate of corporate misconduct episodes in the US and other countries around the world in the 2000s, governments have endeavored to review their laws regarding internal corporate control. A single incident of misconduct not only has the power to erase the trust and value a company has built up, but in some cases, can completely destroy a company. It is therefore essential that managers maintain high ethical standards in the conduct of business and provide employees with extensive compliance training.

**Establishment of Regulations in Japan and Around the World**



**Measures to Prevent Corporate Misconduct**



**Each Employee Pledging to Act in a Responsible and Sensible Manner to Ensure Integrity in Corporate Practices That Earn the Trust of Society**

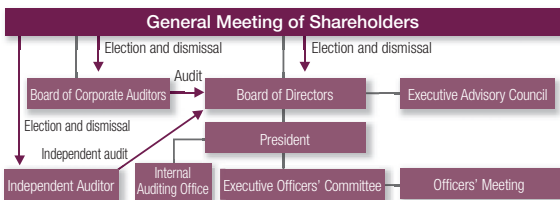
In order to have earned the trust of society, a company must do more than merely comply with laws and regulations; it must follow social norms, as well. In addition to making its Management Vision well known among all employees, the Cosmo Oil Group has also put internal regulations and systems in place to ensure thorough legal, regulatory and ethical compliance.

The Cosmo Oil Group Code of Conduct was extensively revised in 2008 to clearly delineate important evaluation standards for decision-making in the execution of duties and to ensure that these standards are widely known across the Group through training and other means. The Group incorporates the knowledge and experience that each employee has gained, interacts with society in a sincere and straightforward manner, and displays good sense and good faith in its business activities.

## Corporate Governance

In line with the Cosmo Oil Group Management Vision and Code of Conduct, the Group works to raise management transparency and efficiency, rapidly execute business, and implement thorough risk management and compliance.

### Corporate Governance Structure



## Maintaining an Internal Control System

Cosmo Oil maintains a structure for effective risk management and undergoes auditing conducted by internal and external auditors. In addition, the CSR Promotion Committee handles all activities related to Group-wide CSR and internal control under the direct supervision of the president, while ensuring that CSR management information is shared in a timely manner with Group companies.

### Internal Control System



## Countermeasures for Earthquakes and New Strains of Influenza

As part of its preparations for responding to a major earthquake in the Tokyo Metropolitan area, the Cosmo Oil Group conducted its third real-time simulation drill in September 2009 based on the scenario of an earthquake centered in the northern Tokyo Bay with a magnitude of 7.3 or higher. The Group will continue to conduct comprehensive training under its Business Continuity Plan (BCP), incorporating the results of this drill from fiscal 2010. In developing countermeasures for new strains of influenza, Cosmo Oil revised its previous Action Plan to Deal with New Influenzas (developed in July 2007) and formulated a BCP based on basic manuals for the entire Group and division manuals drawn up in October 2009.



Comprehensive BCP Training

## Corporate Ethics Promotion Structure

The Cosmo Oil Group Corporate Ethics Committee determines, promotes, implements, and monitors basic corporate ethics guidelines, while its Corporate Ethics Promotion Office undertakes activities to complement the Committee's initiatives. The Group also maintains a refinery compliance committee at each of its refineries to ensure full compliance at refineries.

### Corporate Ethics Promotion Structure



## Corporate Ethics Training

The Cosmo Oil Group conducts annual corporate ethics training for Group employees. In addition to training according to job level, training sessions are led by general managers and Group company presidents. Training in fiscal 2009 drew on familiar situations to illustrate unlawful conduct and examples of power harassment, as well as reiterated the importance of corporate ethics.

## Corporate Ethics Consultation Helpline

The Cosmo Oil Group has set up helplines by which employees or persons outside the Group can discuss or report legal or ethical problems concerning Group operations or other related matters. In addition to a helpline within the Corporate Ethics Promotion Office, there is another helpline staffed by external experts to assure callers' anonymity and guard against any adverse repercussions. In fiscal 2009, five consultation cases were received. Furthermore, Cosmo Oil has set up a consultation helpline within the Personnel Department to respond to reports of sexual or power harassment.

### Voice



**Nobuyuki Fukaya**  
General Affairs  
Department, Cosmo Oil  
Co., Ltd.

### Ensuring Business Continuity When Disaster Strikes

Cosmo Oil's businesses are very much tied in with the public good in that ensuring a stable supply of oil products is an important part of what we do. Any interruption of the services we provide would have a major impact on society. To manage these risks, the Cosmo Oil Risk Management Committee has formulated business continuity plans (BCPs) that address outbreaks of new influenza strains and major earthquakes in the Tokyo Metropolitan area. The latter contingency plan can be adapted and applied in the event of other types of disasters. In the face of any type of disaster, I advise all of our employees to stay calm and make sure they have accurate information before taking action.

1 Live up to customer expectations concerning reliability and satisfaction

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

3 We value people

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