

# Chapter 01

Live up to customer expectations concerning reliability and satisfaction

The Cosmo Oil Group recognizes that its most important social responsibilities are living up to society's expectations for a stable supply of petroleum products and customers' expectations for greater satisfaction at Cosmo service stations.



## Satisfying Customers at Group Service Stations

The Cosmo Oil Group recognizes how critically important it is to provide society with a stable energy supply. It is also committed to building relationships of trust with the consumers who are the end users of this energy, and to increasing satisfaction with its service stations, the point of contact where Cosmo Oil communicates most closely with customers.

In fiscal 2010, Cosmo Oil Group service stations developed the "Filling Up Your Hearts, Too" Declaration 2010 to give customers a true sense of comfort, peace of mind, and trust—the three tenets of the declaration. The stations also took steps to institute these tenets more thoroughly in daily operations.

The "Filling Up Your Hearts, Too" Declaration 2010 focuses on enhancing functions of service stations and building the strongest possible brand in order to establish service stations as a value chain for customer driving needs. The Cosmo Oil Group has set concrete numerical targets and introduced Group-wide initiatives to meet these objectives.

### "Filling Up Your Hearts, Too" Declaration 2010 Mandatory Goals

- Achieve average of 95 points or higher on CSR assessment
- Achieve average of 90 points or higher on service station evaluations with regard to the "Filling Up Your Hearts, Too" Declaration Three Promises
- Improve SSNV Index<sup>1</sup> by an average of one or more points

1. Service Station Navigation (SSNV) Index: An original Cosmo Oil index used to measure management performance at service stations. The smaller the figure, the stronger the service station managerial structure.

### Restoring Product Supply after the Earthquake

The Great East Japan Earthquake, which struck on March 11, 2011, inflicted damage to many service stations and shipping facilities, leaving Japan's oil industry without sufficient capacity to supply the Tohoku region. After verifying the safety of employees and their families, the Cosmo Oil Group immediately mobilized all of its resources to restore a stable supply of petroleum products and resolve shortages as quickly as possible in order to fulfill its important social responsibility to provide petroleum products—one of the most essential forms of energy in today's society.

The Group carried out emergency service station inspections of underground tanks and pipes at 240 locations in areas struck by seismic intensity of six or higher. Equipment was inspected to verify operational safety, and the stations were reopened as quickly as possible. In addition, secondhand fuel pumps were installed free of charge and operated temporarily at five service stations that had sustained damage.

The Cosmo Oil Group will continue to do everything in its power to help with recovery in the disaster-stricken area and to ensure a stable supply of petroleum products until the supply structure has been restored to pre-earthquake conditions.

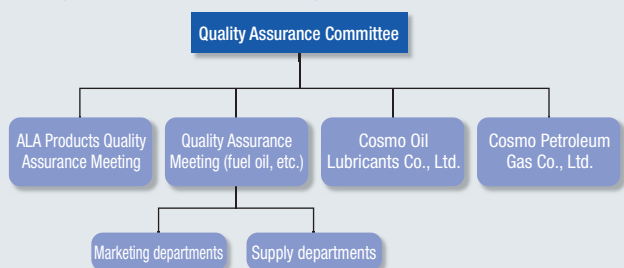
The Cosmo Oil Group's greatest responsibility to society is the stable supply of energy that is crucial to Japan's economic and social activities. To ensure stable procurement of crude oil, the Group has spent many years building close relationships based on trust with oil-producing countries. The Group also continues to provide the reliable products and quality services that customers expect, as well as to focus on increasing customer satisfaction at Group service stations.



### Improving Product and Service Quality to Ensure Reliability

The Quality Assurance Committee established at the Cosmo Oil Head Office oversees all quality issues, drafts Group-wide quality assurance policy, and creates a uniform quality assurance structure for the entire Group. Refining and manufacturing divisions are focused on ensuring that ISO 9001 international standards for quality management systems are consistently applied. Distribution and marketing divisions promote comprehensive quality control education and training designed to prevent failures and eliminate accidents. All departments work together to improve the quality and ensure the reliability of products and services as a whole.

#### Quality Assurance Committee Organization



### Building Close Relationships with Oil-producing Countries to Ensure Stable Supply



**Hironaga Takada**  
Deputy General Manager,  
Planning Department,  
Abu Dhabi Oil Co., Ltd. (Japan)

As newly emerging economies undergo economic development, countries around the world find themselves competing for energy resources. In Japan, the Great East Japan Earthquake was a stark reminder of just how important stable supplies of gasoline and diesel fuel are to day-to-day life.

In such circumstances, Abu Dhabi Oil Co., Ltd. (Japan) has renewed its concession agreement in the Emirate of Abu Dhabi in the United Arab Emirates (UAE) for an additional 30 years and acquired a concession agreement for a new area, as well. Access to a large number of oil fields for Japanese companies to independently develop would contribute significantly to securing a stable oil supply. Building close and enduring relationships with oil-producing countries is extremely important for this reason. Our renewed concession agreement in the Emirate of Abu Dhabi was a testament to a long relationship of trust spanning over 40 years, as well as to our extensive contributions to environmental technology and education in the country.

For a country like Japan that depends on imports for most of its energy resources, ensuring a stable supply of oil is a major responsibility that transcends the efforts of any individual company. In light of this, I know that our work is invaluable and worthwhile to society.

### Independent Development of Qatar Oil Fields Launched

Securing access for the independent development of oil fields is extremely important for ensuring a stable oil supply. Qatar Petroleum Development Co., Ltd., a Cosmo Oil Group company, has successfully developed the A-Structure South Oil Field, and crude oil production started on April 27, 2011. Utilizing the experience and technology that the Group has cultivated to develop new oil fields, the Group will work to build even stronger, more cooperative relationships with oil-producing countries in the Middle East, helping to ensure an even more stable supply of oil to Japan. The Group employs environmentally friendly technologies in its independent development of oil fields in this region. The gas generated in the process of producing oil is pumped back underground, rather than burned and released into the atmosphere.

