

# Chapter 1

## Live up to customer expectations concerning reliability and satisfaction

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.

### Thank-You Award Recipient Service Stations Meeting Individual Customer Needs

Masatsune Fujiwara, Station Manager  
Yutaka Fukazawa, Car-care Advisor

Self-service & Car-care Station  
Hachioji-Horinouchi  
Tokyo Company, Cosmo Oil  
Sales Corp.



"Many customers stop by our service station while out driving or shopping. However, our earnest desire is to make our service station so appealing that it becomes a prime destination for customers. Since our location is self serve, it is not possible to greet every single customer. However, some customers will need assistance, so we try to be responsive if we see them in need. Our aim is to become experts in identifying the needs of customers, determining if they are just in a hurry, or if they need some assistance.

In other words, we strive to be a service station which always serves customers in the way they want to be served.

Recently when a customer in a hurry pulled up to the pump with his gas tank on the opposite side, we held the hose up so that he could refuel across the car without scratching it. The driver reported his appreciation and we received a Thank You Award, but for us this is just common-sense service. It is true, however, that we accurately determined the needs of the customer. We suppose that's why we got the award."



**Hideaki Yoshioka**  
Sales Department,  
Cosmo Oil Co., Ltd.

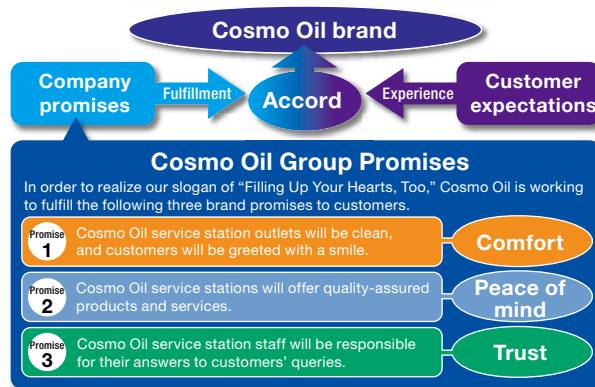
When the Thank You Awards were first introduced in fiscal 2011, we saw it as an opportunity for customers to praise the service station staff and report their experiences to the Customer Center. By recognizing service examples which "fill up customers' hearts" and then sharing them with service stations across the country, it helps us get that much closer to achieving our goals. Although there were 36 awards given to 34 service stations in 2011, the thing they all had in common is that they represented examples where staff went a step beyond what is prescribed in the manual.

# The most important objective for the Cosmo Oil Group is to provide a stable supply of energy and service that satisfies customers.

## Pursuing Customer Satisfaction and Stable Energy Supply

As a part of Japan's energy supply network, the greatest mission of the Cosmo Oil Group is to deliver products and services that earn the trust of society, and to provide them in a stable, safe, and reliable way across the entire supply chain, from crude oil procurement and refining, to distribution and sales. Through activities based on the "Filling Up Your Hearts, Too" Declaration, the Group continues its efforts to ensure that customers experience comfort, peace of mind, and trust.

In fiscal 2011, the Group worked to ensure that Cosmo Oil remained the brand of choice for customers, focusing on the four proficiencies of product knowledge, solution proposals, technology, and after-sales service in order to meet diverse customer needs.



## Response to the Great East Japan Earthquake

Many Group service stations and distribution facilities were directly affected by the Great East Japan Earthquake. Although the ability to supply petroleum products temporarily suffered, especially in the Tohoku region, the Cosmo Oil Group was able to provide a stable supply of heating fuel, especially in the disaster region where the need was great in the winter months. In regions with severe disaster damage, the Cosmo

Oil Group provided free loaner vehicles that had been fully fueled, insured, and serviced, in order to meet the needs of local governments for transporting reconstruction volunteers, local residents, and supplies. The Group will continue to support reconstruction in the disaster area and strive to provide a stable supply of petroleum products.

## Securing Trust in Petroleum Products

The Quality Assurance Committee<sup>1</sup> established at the Cosmo Oil Head Office has set out a Group-wide quality assurance policy, thereby creating a uniform quality assurance structure for the entire Group. The Group constantly works to prevent accidents or problems and improve product quality and reliability.

In order to facilitate a rapid and appropriate response in the event of a quality incident, Cosmo Oil has prepared a manual outlining the incident contact and response flow, as well as a handy booklet, "Quality Incident Contact Chart," for employees to keep with them.

In fiscal 2011, with an emphasis on proper quality management, Cosmo Oil made a group-wide effort to restore production at the Chiba Refinery and to rebuild its supply system, both of which were affected by the Great

East Japan Earthquake. In addition, the Company resumed delivery and sales operations after inspection of the equipment at oil depots and service stations that were affected by the earthquake and confirmed the quality of the product remaining in the tanks.

1. The Quality Assurance Committee is an execution organization under the CSR Promotion Committee. See page 25 for more details on the internal control system.



Quality Incident Contact Chart

## Risk Management Initiatives

The Cosmo Oil Group has established a Risk Management Committee<sup>2</sup> to serve as an execution organization under the CSR Promotion Committee. The Risk Management Committee follows a plan-do-check-act (PDCA) cycle with the following steps: 1) identify risks, 2) organize/draw up countermeasures, 3) reevaluate risk and review countermeasures, 4) implement countermeasures, and 5) monitor.

After the Great East Japan Earthquake, Cosmo Oil conducted a review of its earthquake response measures. The Company established new business continuity plans (BCP) against major quakes that could occur in the Tokai, Tonankai and Nankai regions, respectively, where major earthquakes have occurred regularly in the past. The BCP for an earthquake occurring directly beneath Tokyo was also revised. On March 12, 2012, the Company carried out a general BCP training for the fifth time, based on the hypothetical scenarios of earthquakes in the Tokai, Tonankai, and Nankai regions.



2. See page 25 for more details on the internal control system.