

Cosmo Oil's Obligation to Maintain Public Confidence

Chapter

6



Director and Senior Executive Officer
Cosmo Oil Co., Ltd.

Hirohiko Ogiwara

● Employees Who See Things Like the Public Have Greater Safety Awareness

Ogiwara: The fire and explosions at the Chiba Refinery at the time of the Great East Japan Earthquake and the asphalt leak in June 2012 caused much concern and inconvenience, especially among local residents. Seeking to respond, in April of this year we established the CSR Initiative Policy—Filling Up Your Hearts and Safety, and we are determined to regain public confidence within two years. Please share your thoughts on how we can raise employee awareness and promote a stronger culture of safety.

Kikkawa: I think you're already doing everything you can as a company to improve public confidence. It is important not to lose sight of your good reputation—employees need to have confidence in how Cosmo Oil is seen by society.

The earthquake reminded us all of the importance of oil in modern society: oil and LP gas were the main energy sources that saved people's lives. For example, there were many cases where a Cosmo Oil service station helped people recover from the quake. By sharing each of these stories with employees, you can raise their morale and confidence.

● Being Aware of Risk and Facing It Head On

Ogiwara: What do you think of Cosmo Oil's responsibilities and risk management as a provider of Japan's petroleum energy?

Kikkawa: It is important to remain aware how big the risks are: this was emphasized by the nuclear accident. The BP oil spill in the Gulf of Mexico in 2010 caused extensive damage. So I was quite impressed, when I visited Louisiana recently, that most people had nothing bad to say about BP. This likely reflects BP's thorough cleanup activities and information disclosure. While recognizing the size of the risks, the Company must also face them head on. This is something that needs to be thoroughly understood by everyone in the Company.

Ogiwara: I agree. The primary goal is to prevent accidents from happening in the first place. We need to keep total safety management top priority to prevent accidents, yet be ready to take proper measures quickly if one occurs. Business continuity is also important. Emergency drills need to be carried out according to a business continuity plan.



Loading operation

As a key energy provider in Japan, the Cosmo Oil Group engages in a business with a high degree of public interest. What should the Group be doing to maintain public confidence and live up to the expectations of society? We invited Professor Takeo Kikkawa of Hitotsubashi University to give us his opinions concerning the Group's compliance and risk management initiatives.

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Professor, Graduate School of Commerce and Management Hitotsubashi University

Takeo Kikkawa

CSR—A Great Corporate Asset

Kikkawa: Your promotional campaign “Filling Up Your Hearts, Too” has steadily caught the attention of the Japanese public. Rather than just being a marketing slogan, this phrase directly expresses Cosmo Oil’s commitment to corporate social responsibility. Employees must know that the message has reached the public and should carry out their work accordingly. Your commitment to CSR is a great asset and it is viewed favorably by society. I think this is true not only in Japan, but overseas as well.

Ogiwara: Thank you. We really want to do our best to live up to this promise.

Kikkawa: The employees of the Cosmo Oil Group, especially the younger ones, should be made aware of what the Group has achieved in Abu Dhabi. I think Cosmo Oil is the Japanese company that the leaders of Abu Dhabi trust most.

Ogiwara: Last December, the Group’s development rights in Abu Dhabi were renewed for 30 years. The Group also obtained new development rights for the Hail Field, which shows our relationship of trust with the country is becoming stronger.

Kikkawa: You should respect and make the most of the trust you have earned as a petroleum company that runs a supply chain extending from oil exploration and production to service station operation.

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Profile of Takeo Kikkawa

Born in Wakayama Prefecture in 1951, Kikkawa earned a Ph.D. in economics from The University of Tokyo. After teaching at Aoyama Gakuin University and then The University of Tokyo, he was named Professor at the Graduate School of Commerce and Management of Hitotsubashi University.

Professor Kikkawa has authored many publications including *Denryoku Kaikaku* (“Reformation of the Electric Power Industry”), Kodansha. He has also written numerous histories of the energy industry including *Hiyaku e no Kakehashi* (“Bridging the Way Forward”), which covers 20 years of Cosmo Oil’s history.



New Concession for Abu Dhabi Oil Co., Ltd.

In December 2012, Abu Dhabi Oil Co., Ltd., a Cosmo Oil Group company, was granted a new concession covering not only its three existing oilfields, but also an additional undeveloped concession area, the Hail Field. This achievement is due to the 40-year operating record of Abu Dhabi Oil and its environmental and production technologies. It is also a reflection of how the UAE values Japan as a friendly and reliable partner. The Hail Field is expected to have production yield equaling the three existing fields. Abu Dhabi Oil will strive for an early start of production in the Hail Field, and the expanded output will ensure a safe and stable supply of oil for the next 30 years.



Cake cutting ceremony

