

Working with Integrity

Compliance Promotion

Corporate Ethics Framework

As the organization responsible for the execution of matters under the CSR Promotion Committee, a Corporate Ethics Committee has been established to decide, promote, and implement basic policy relating to corporate ethics. A Corporate Ethics Promotion Office has also been set up to serve as a facilitator for the Committee. Additionally, the Cosmo Oil Group has created corporate ethics consultation helplines to promote the early discovery of and response to corporate ethics issues. In fiscal 2013, the Group will begin revising part of its corporate ethics promotion framework.

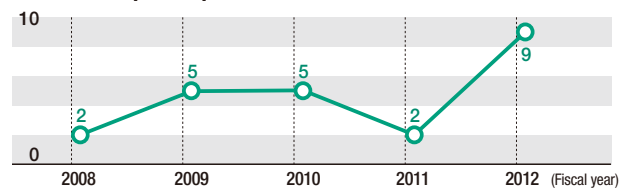
Corporate Ethics Promotion Framework



Corporate Ethics Consultation Helplines

The Cosmo Oil Group has set up internal and external helplines by which employees or persons outside the Group can discuss legal or ethical problems concerning Group operations. The internal helpline is set up within the Corporate Ethics Promotion Office, while the external helpline is staffed by outside experts. There is also a consultation helpline within the Personnel Department for matters related to sexual and power harassment.

Number of helpline inquiries



Corporate Ethics Training

In order to maintain a high level of awareness of corporate ethics, the Cosmo Oil Group conducts annual corporate ethics training for Group employees. In addition to providing training tailored to job levels to help employees gain the expertise they need in specific positions, training sessions tailored to specific Group companies are also led by the presidents of Group companies.

In fiscal 2012, training was carried out for the themes shown in the table on the right. Along with improving awareness of safety and information management, employee knowledge of the law was also strengthened.

Fiscal 2012 Results for Corporate Ethics Training

| Training category | Theme | No. of Participants | No. of Training Hours |
|------------------------------|--|---------------------|-----------------------|
| New employees | Compliance and corporate ethics; Code of Conduct; and Company decision-making rules | 27 | 3-6 |
| Newly promoted line managers | Compliance; role of line managers to promote corporate ethics | 39 | 2 |
| Sectoral training | All departments: Corporate ethics; helpline system; thorough information management; and the proper use of information systems Sales departments: Act on the Quality Control of Gasoline and Other Fuels / Antimonopoly Act, and personal information Engineering departments: Ensuring safety | 3,798 | 2 |

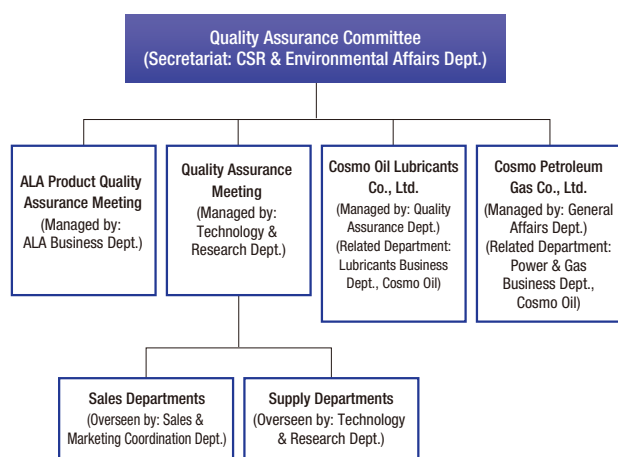
Securing Trust in Petroleum Products

The Quality Assurance Committee¹ 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 eliminate quality problems, the Group always strives to prevent defects by ensuring that employees always comply with laws, follow prescribed rules, confirm procedures before operations, and confirm quality after operations. The Cosmo Oil Group will continue these quality assurance activities in the future.

Efforts were made to fully restore operations at the Chiba Refinery, damaged by the 2011 Great East Japan Earthquake. In order to prevent any quality problems, the Group carried out thorough preliminary checks before restarting the facilities in fiscal 2012.

New Quality Assurance Committee Framework



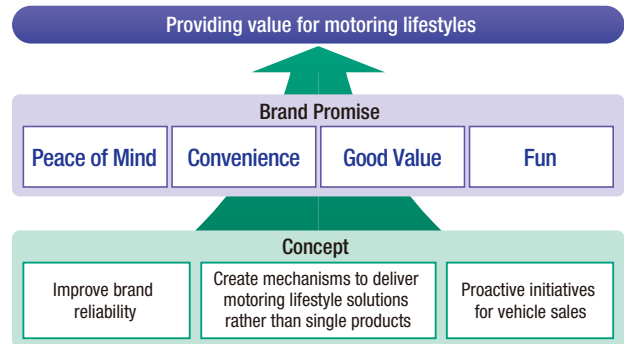
1. The Quality Assurance Committee is an execution organization under the CSR Promotion Committee.

Pursuing Customer Satisfaction

Pursuing Customer Satisfaction and Stable Supply—Providing Value for Motoring Lifestyles

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 2013, the Cosmo Oil Group will continue responding to a wide range of motoring lifestyle needs. It will do this by further enhancing its product lineup with a focus on auto leasing, under the brand promise, “peace of mind, convenience, good value, and fun.” The Group’s aim is to transform itself from a petroleum distributor centered on fuel oil into a company that can provide value for all aspects of customer motoring lifestyles.



Service Evaluations Monitor Three Promises

The Cosmo Oil Group focuses intently on customer satisfaction. The Group surveys its customers to assess the level of comfort, peace of mind and trust provided by service stations and reviews the fulfillment of the Three Promises made to customers. In fiscal 2012, a total of three surveys were conducted, and about 1,360 service stations participated. The surveys will continue in fiscal 2013, mainly to ascertain customer intentions to make repeat visits.

Note: The third survey targeted service stations that scored less than 90 points in the two previous surveys.

“Filling Up Your Hearts, Too” Declaration Service Evaluation Results for Fiscal 2012

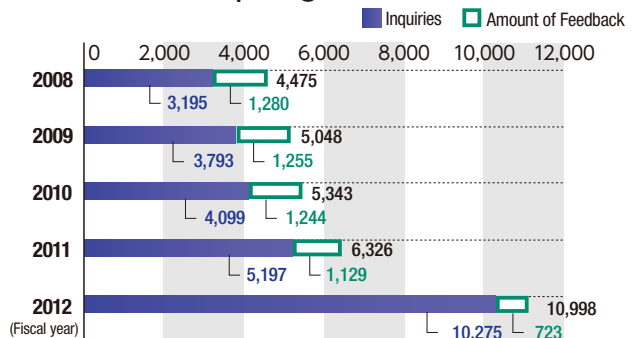
| | | First | Second | Third |
|-------------------------|---------------|-------|--------|-------|
| Overall | Regular hours | 85.0 | 86.4 | 83.6 |
| | Late night | 86.1 | 87.5 | 78.9 |
| Self-service operations | Regular hours | 91.9 | 92.1 | 89.3 |
| | Late night | 84.9 | 86.4 | 80.1 |
| Full-service operations | Regular hours | 74.5 | 77.2 | 80.6 |
| | Late night | 71.4 | 75.7 | 57.7 |
| Self-pure ¹ | Regular hours | 93.6 | 92.9 | 80.5 |
| | Late night | 90.4 | 91.1 | 90.5 |

1. Self-pure: Provides low-cost self-service operations

Ensuring Customer Support

The Cosmo Oil Customer Center facilitates communication with customers through a support phone line, which launched 24-hour operations in 2010. In fiscal 2012, the amount of feedback decreased, even though the number of inquiries increased significantly, due to the expansion of vehicle leasing and cross-industry alliances such as a campaign with the Aeon Group.

Number of Customer Inquiries



Survey of CSR at Service Stations

The Cosmo Oil Group conducts annual privacy policy (PP) surveys and environmental management (EM) surveys to check and improve regulatory compliance among service stations. In fiscal 2012, survey takers visited 1,275 service stations. However, the remaining 1,800 plus service stations conducted their own self-assessments.

Average PP and EM Points

