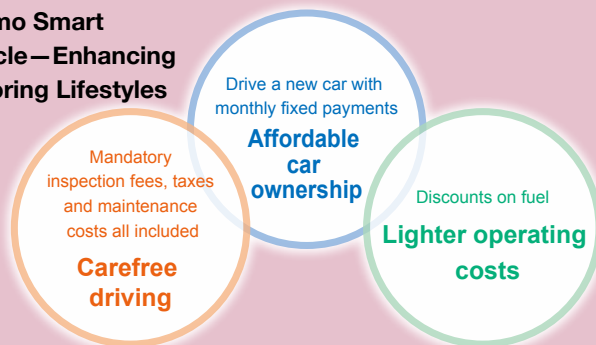


Offering a New Way to Own a Car to Support Motoring Lifestyles

Cosmo Smart Vehicle—Enhancing Motoring Lifestyles



Ryusuke Hiratsuka

Product Development Group
Manager, Sales Department,
Sales Business Unit, Cosmo
Oil Co., Ltd.¹

1. The departmental assignment is current as of March 2014.



Cosmo Smart Vehicle—A New Way to Own a Car

Cosmo Smart Vehicle is a car lease product offered via the Cosmo Oil Group's service stations. Consumers make fixed monthly payments to use a vehicle for a fixed term, which includes all costs such as mandatory inspections, insurance, taxes, and maintenance. The product is ideal for consumers who find it bothersome to deal with these costs separately. Consumers also receive discounts on fuel, as the product more broadly supports everyday motoring lifestyles than a conventional car lease can. Cosmo Smart Vehicle offers an entirely new way to own a car, adding new energy to motoring lifestyles.

New Business Model Developed in a Group Effort

Cosmo Smart Vehicle is a lease product unlike any other car lease, developed collectively by the Cosmo Oil Group in an effort to create a completely new business. It also represents a new business model that leverages Cosmo Oil's network of service stations across Japan to provide total support for the motoring lifestyles of consumers. Numerous hurdles had to be overcome in bringing the product to market, including the difficulty in partnering with a leasing company. The eventual success is a credit to the dedication of the employees involved in developing the product and the corporate support they received. The Cosmo Oil Group is working hard to energize motoring lifestyles and further expand the services provided by Cosmo Smart Vehicle.

Cosmo Smart Vehicle Tops 10,000 Vehicles Leased

Cosmo Smart Vehicle, an independent service targeting service station users, was launched in earnest in April 2011. Since then, the service has proven to be particularly popular among women and seniors, who often find it bothersome to deal with the various formalities required by car ownership. In February 2014, the service reached a landmark as the 10,000th vehicle was leased. Cosmo Oil will keep working to enhance the service and respond to the motoring lifestyle needs of consumers.

10,000th vehicle leased in April 2014



Cosmo Oil is working on several initiatives to transform its business model to one of providing value for motoring lifestyles by tailoring solutions to consumers. Cosmo Smart Vehicle, at the center of this strategy, offers a new way to own a car. Cosmo Oil aims to enrich the lives of consumers with this new business.



Takuichi Yoshimura

Assistant Manager, Retail Support Department, Sales and Planning Division, Cosmo Oil Sales Corp.¹

1. The departmental assignment is current as of March 2014.



Training 3,000 Service Station Employees

Cosmo Smart Vehicle is a new type of car lease service offered at service stations that customers regularly visit and use. Service station staff had to be trained to offer the service, since their customer support was crucial to the success of the service. Following the full-scale launch of the service in April 2011, the Group conducted ongoing and systematic training for some 3,000 service station employees across Japan to ensure product understanding and show them how to share information using success stories of offering and selling the service. Thanks to the effectiveness of this training, the Group exceeded its first-year target for the number of vehicles leased.

Reshaping the Motoring Lifestyles of Consumers

Cosmo Smart Vehicle has gained a following among women and seniors who are less informed about cars and find it bothersome to deal with the formalities of owning a car. In addition to raising service recognition among consumers, the Group is seeking to expand the service by offering more options such as exclusive car models available only through Cosmo Smart Vehicle, in order to appeal to a broader range of consumers. We are working to reshape the motoring lifestyles of consumers through the service—selling the concept of using cars instead of owning them.

Consumer Viewpoint



We use our Cosmo Smart Vehicle as a second car. My wife mainly uses it to take the kids to daycare and back. I learned about the service when I was given a flyer while refueling at the Shin-Kashiwa Service Station. I was already thinking about replacing the car that I had driven for the last five years. I compared the service with what car dealers were offering, but the fact that the product included all maintenance costs was the deciding factor. We can get all the maintenance work done when we have to stop in to refuel, so it helps my wife who doesn't like to deal with these things and also means less bother for me.

The service gives a discount of ¥5 off every liter of gas, so it is also budget-friendly. I think this, combined with the better fuel economy of a mini-car, has reduced our gasoline costs considerably. Cosmo Smart Vehicle is perfect for what we need in a second car—it saves us money and reduces the hassle of owning a car.

Makoto Hatakeyama Cosmo Smart Vehicle user of Daihatsu Tanto (5-year lease with Gold maintenance package)