

Concerning Asbestos Use at Nippon Oil Corporation

Nippon Oil (Shinji Nishio, Representative Director, President) has recently investigated the situation regarding the use of asbestos within the Nippon Oil Group and herein reports the results of its investigation thus far.

1. Outline of Investigation

Nippon Oil has conducted an investigation of the manufacturing equipment and buildings of 18 Group companies concerning the use of products containing asbestos, work related to the manufacturing and handling of asbestos, hazards to the health of Group employees, and reports of injuries to health from people living near Group facilities.

2. Investigation Results

(1) Health Hazards

Although we have found no instances of Group employees or former employees being compensated for asbestos-related injuries, the investigation did reveal that there have been two employees deaths thus far from mesothelioma. An investigation is now underway to determine whether these deaths are in any way asbestos related.

In addition, we have found no reports of injuries to the health of people living near our facilities.

(2) Asbestos Use in Manufacturing Equipment and Buildings

As for the use of products containing asbestos, it was determined that all such products are being used according to regulations or that there are not regulations governing their use at this time. In either case, it was confirmed that these products do not generate airborne dust.

As for the use of sprayable asbestos in manufacturing equipment and buildings, based on the results of our examination of design drawings and a visual inspection, we will conduct a more detailed investigation and take relevant countermeasures.

Facility / Equipment	Items Containing Asbestos	Comments
Manufacturing Equipment	Pipe, machinery, and tank insulation material, packing material, gaskets	Use of packing material and gaskets are not prohibited
Buildings	Boards, slate, etc.	—

(3) Manufacturing and Sale of Products Containing Asbestos

Among Group companies, until around 1960, the former Nippon Oil Company, Limited Niigata Plant (now Nippon Petroleum Processing Company, Limited (NPPC) Niigata Plant) and until around 1979, the NPPC Tokyo Plant, both manufactured and sold asbestos grease (asbestos content 0.9%). Our research up to this point reveals that the total volume of asbestos grease manufactured between 1961 and 1979 amounted to 86 tons.

Asbestos grease is not considered asbestos (containing an asbestos level of 5% or higher) per the definition contained in the Ordinance on Prevention of Hazards due to Specific Chemical Substances. Furthermore, according to records covering the period from 1975 to about 1979, asbestos grease was only manufactured two to five times per year and not on a regular basis, therefore, such manufacturing work does not fall under the category of work requiring a special health examination as established in the Ordinance on Prevention of Hazards due to Specific Chemical Substances.

3. Future Handling of this Issue

Nippon Oil will continue to monitor asbestos-related health hazards as well as our use of products containing asbestos in manufacturing equipment and buildings. At the same time, we will take measures based on laws and regulations to prevent dust from becoming airborne in locations where products containing asbestos are now being used and will routinely implement strong countermeasures.

In addition, we will provide medical examinations to employees, former employees, and their families at their request.

* Asbestos Grease Description

- (1) Product Name: No. 1 Asbestos Grease
- (2) Properties: Dark brown color, block heat-resistant, leak-resistant
- (3) Use: For high-load, high-temperature slide bearings with large clearances

(4) Composition: Asbestos content 0.9%