



May 6, 2022

Press Release

Company Name: Toa Oil Co., Ltd.  
President and Representative Director,  
Kazuhiisa Harada  
(Company Code:5008, TSE Standard Market)  
Contact person: Yasuyuki Shishido, Director  
(TEL: +81-44-280-0614)

## **Announcement on Inappropriate Activity regarding Product Testing at Keihin Refinery**

It has become apparent that Keihin Refinery (3-1 Mizuecho, Kawasaki-ku, Kawasaki-shi) failed to conduct a portion of required product testing on petroleum products produced in the past, violating the Act on the Quality Control of Gasoline and Other Fuels and an agreement with Idemitsu Kosan Co., Ltd., which distributes our products. We have checked the quality of shipped products and confirmed that there are no safety issues.

We would like to express our deepest apologies to our customers and other stakeholders for undermining trust in our operations. Going forward, we will continue our efforts to strengthen our quality control framework and to prevent recurrence.

### 1. Overview

As a result of internal investigations conducted since March 2022, it became apparent in late April 2022 that the refinery failed to conduct a part of required product tests on petroleum products produced in the past.

Each affected customer will be contacted to provide details on this issue.

### 2. Nature of inappropriate activity and affected products

#### (1) Nature of inappropriate activity

The following inappropriate activities were brought to our attention:

- 1) The stipulated measurement frequency and testing methods were not adhered to.
- 2) Test reports were filled out despite failure to take measurements.

#### (2) Affected products

The 12 items listed below:

- No. 1 gasoline, No. 2 gasoline, No. 3 light oil, normal hexane, normal heptane
- Benzene, propylene, butane, light cycle oil
- Solvents (3 items)

### 3. Status of current countermeasures

The inappropriate activity was corrected immediately after discovery. As a result, appropriate product

testing has been conducted on all products since April 27, 2022.

We have also verified that there are no safety issues relating to products to date, based on checks on quality of fractions for production, operational status of the refinery process, and quality of relevant items affecting fulfillment of various standards.

#### 4. Future plans

We deeply regret this occurrence and will establish an investigation committee including external experts to clarify the facts and to identify the causes.

#### 5. Impact on performance

The impact on corporate performance is currently under confirmation. Any material impact on performance will be disclosed as soon as it becomes apparent.