

Diversity and Equal Opportunities

Issues/Targets and Results

Promoting a dynamic female workforce

P	Fiscal 2016 Targets	D	Results	C	A	Evaluation/ Improvements	P	Fiscal 2017 Targets (Plan)
	<ul style="list-style-type: none"> Reshape work culture and conduct training for superiors with the aim of providing meaningful support to female employees looking to build their careers Provide opportunities to female employees to gain knowledge and skills based on their work experience Study medium-term career plans based on employees' individual traits and provide growth opportunities in line with the plan 		Results of the previous fiscal year's survey revealed that managers consistently underestimated how career driven female employees are. To improve their knowledge, we conducted training for general and deputy managers of branches and departments on eliminating unconscious biases. There were 68 participants.			<ul style="list-style-type: none"> In the February 2017 survey of women, on the topic of promoting a dynamic female workforce at Idemitsu, many respondents said they do not feel the Company and workplace are changing and/or that they would like to see the overall culture of the Company to improve. We are working on the following three points for the next fiscal year <ol style="list-style-type: none"> 1. Reinforce the communication of information related to human resources diversification 2. Roll out mentoring initiatives to workplaces that don't have them 3. Promote understanding of the work-life balance systems within workplaces 		<ul style="list-style-type: none"> Continually communicate information, including that related to employee activities and messages from management, using internal reports and the internal intranet Hold training sessions on promoting human resource diversification for managers of regional bases To promote understanding of childcare among male employees, systematize paid vacation for spouses during childbirth and encourage employees to take said vacation

Maternity and childcare leave support for balancing work and personal life

P	Fiscal 2016 Targets	D	Results	C	A	Evaluation/ Improvements	P	Fiscal 2017 Targets (Plan)
	Conduct trials of work-from-home and flex-time systems and, after determining the feasibility of fully introducing the systems, conduct detailed studies aimed at constructing the systems.		Conducted trials of work-from-home (for childcare and nursing care) and flex-time systems from July 2016 to March 2017			<ul style="list-style-type: none"> We are beginning preparations for introducing a flex-time system due to the many positive responses to the idea We will conduct another trial of the work-from-home system (for childcare and nursing care) with eased stipulations due to the results of a survey of users, which revealed many want a system that can be used more flexibly 		<ul style="list-style-type: none"> Introduce the flex-time system from October 2017 (some workplaces with different work arrangements will consider introducing the system) Begin another trial of the work-from-home system (for childcare and nursing care) with eased stipulations from April 2017 Provide opportunities for employees to use the work-from-home system for any reason to promote use because employees will be able to experience the benefits of the system firsthand

Employment of persons with disabilities

P	Fiscal 2016 Targets	D	Results	C	A	Evaluation/ Improvements	P	Fiscal 2017 Targets (Plan)
	Execute concrete measures to steadily raise the employment rate ahead of the scheduled increase in the legally prescribed level		<ul style="list-style-type: none"> Conducted an internal survey of each department to better understand the state of employment of employees with disabilities and their needs Expanded business support operations at the Training Center 			The actual employment rate as of June 1, 2017, was 2.24%, above the legally prescribed level		Cooperate with each department to spur employment and achieve the legally prescribed level

Promoting Initiatives Aimed at Human Resources Diversification

To ensure its ability to respond swiftly to changes in the business environment, Idemitsu has positioned the maintenance of a diverse workforce and an equal-opportunity work environment as a management priority. In fiscal 2016, we internally launched the Reborn Project to foster a more personal connection to our efforts to promote human resource diversification and equal opportunities. These activities do not target any particular group. Rather, we want every employee to understand that he or she is the principal focus of these activities.

The Reborn Project incorporates two main ideas. The first centers on a rather literal interpretation of reborn entailing both employees and the Company as a whole evolving and moving forward to create an environment where everybody can thrive. The second idea, reflecting the pronunciation of reborn in Japanese, centers more abstractly on the word and idea of a ribbon. This is the ribbon connecting the Company and the individual, the individual and the future, and the employees to each other. Moreover, we want every employee to promote this project filled with the feeling of excited anticipation that accompanies opening a ribbon-tied present.

In fiscal 2016, we implemented the four measures listed below.

- Conducting training for managers with the aim of improving workplace culture and supporting female employees' career development
 - 68 general and deputy managers participated in the training.
- Providing opportunities to gain knowledge and skills that draw on women's actual work experiences
 - 237 (70% of female employees) participated in training held at seven locations across Japan.
- Instituting medium-term career development programs (CDPs) based on individual traits and identifying tasks needed to foster employee development
- Enhancing systems to accommodate variable time and location restrictions
 - Conducted trials of work-from-home and flex-time systems

Our main issue going forward will be fostering a work environment aimed at promoting human resource diversification, and we will focus on the following three points.

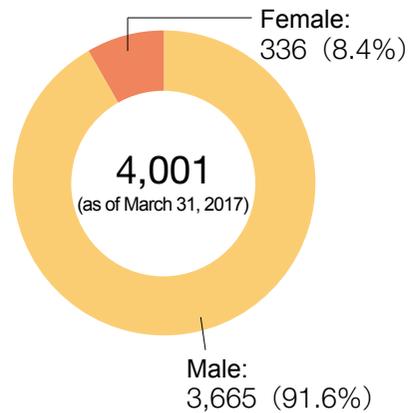
- Enhancing the dissemination of information related to the promotion of human resource diversification
- Rolling out initiatives to promote human resource diversification across regional bases
- Fostering understanding in the workplace for work-life balance support systems

Promoting a Dynamic Female Workforce

The Company had 4,001 total employees as of March 31, 2017, 336 (8.4%) of which were women. Our overall percentage of women employees remains relatively low. This is influenced by a business structure centered on a type of manufacturing that entails a large heavy labor force as well as personnel with expertise in specific traditionally male fields. In fact, in our sales, logistics, corporate and other departments the percentage of women surpasses 20%.

■ FY2016 Percentage of Male and Female Employees

Independent Practitioner's Assurance



We help employees balance work with childbearing and childcare needs by offering systems of maternity leave, childcare leave and reduced working hours for parenting, all of which are necessary to promote a dynamic female workforce. And because spousal support is also necessary in this regard, we actively encourage both our male and female employees to use these systems.

In addition, it is very important that we put in place a system that ensures employees returning to work maintain a fulfilling career and personal life. We are listening to female employees' opinions as we proceed to consider how to best offer support for a smooth transition back to work and flexible measures suited to individual childcare situations. We are following an action plan based on the Act on Promotion of Women's Participation and Advancement in the Workplace and the accreditation mark (generally known as "Kurumin"⁸) under the Act on Advancement of Measures to Support Raising Next-Generation Children.⁹ Going forward, we will provide opportunities to experience the systems and, accordingly, continue to create work environments that facilitate long-term employment regardless of gender and ensure a greater sense of fulfillment for both employees who use the systems and those who do not.

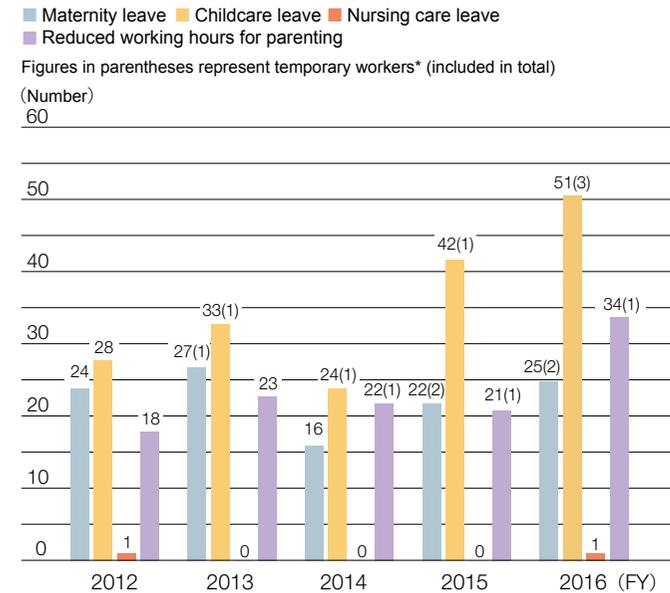


⁸ Kurumin: The nickname of the accreditation mark that is granted to employers who have developed an action plan to provide childcare support to employees and have attained a certain outcome that satisfies conditions set forth in the Act on Advancement of Measures to Support Raising Next-Generation Children

⁹ Act on Advancement of Measures to Support Raising Next-Generation Children: A law that defines the basic philosophy concerning measures to support the development of children, stipulates duties and responsibilities of the national government and other parties concerned, and requires employers to formulate and implement appropriate action plans

■ Number of Employees Taking Maternity, Childcare and Nursing Care Leave and Reduced Working Hours for Parenting (Cumulative Total Number of Persons)

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* Temporary workers: Limited-term employees directly hired by the Idemitsu Group; does not include workers dispatched from other firms.

Employment of Persons with Disabilities

Idemitsu believes that work allows people to achieve personal growth and gain the respect of others. Accordingly, under our philosophy of respect for human beings, we welcome all people to our workplaces, including those with disabilities, with the aim of helping create a society that allows everyone, regardless of their limitations, to provide mutual support and live harmoniously.

In 2011, we launched a cleanliness team at the Training Center^{*10} in Ichihara City, Chiba Prefecture, to take care of the accommodations there, promoting the employment of persons with disabilities. We have since been considering ways to expand the team's workload and diversify its responsibilities. Using the greenhouse facilities on the grounds of the Advanced Technology Research Laboratories in Sodegaura, Chiba Prefecture, we established a greenery department (Idemitsu Yume Noen) to cultivate flowering plants. The gardening team comprises four persons with disabilities and two supervisors. Together they grow ornamentals and visit the Group's neighboring business sites to attend to flower beds and planters.

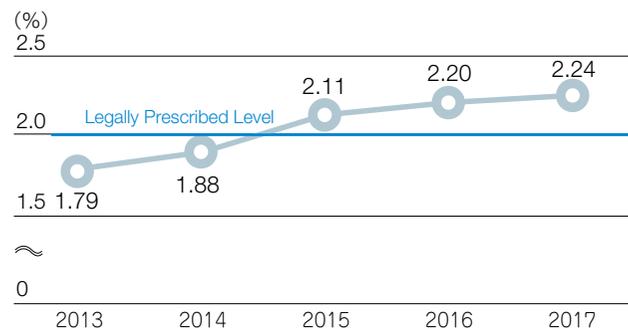
In fiscal 2016, Idemitsu Yume Noen sold flowering plants it had cultivated at the local Anegasaki Industry Fair. The team received positive feedback from the public and ended up selling all the potted up flowers it brought to the event. Also, the back-office support department handles work that we had been outsourcing, including packing items to be shipped for Group companies and printing out and filing training materials. In addition to providing employment for persons with disabilities, this office has yielded cost reductions within the Idemitsu Group and improved overall productivity. Going forward, we plan to expand the department's range of activities, for example, to include printing business cards. These activities have boosted all staff members' sense of pride and fulfillment in their work, helping them move a step closer toward self-reliance.

We will continue working to foster workplaces where persons with disabilities can enjoy and take pride in their work.

*10 A training facility with accommodation for group education and training located adjacent to the Chiba Refinery and Chiba Petrochemical Plant and Lubricants Research Laboratory in Ichihara City, Chiba Prefecture

■ Employment Rate of People with Disabilities

Independent Practitioner's Assurance



Note: Employment status as of June 1 of each year.