

Relations with Local Communities

The Idemitsu Group regards prospering with local communities as a key priority and aims to interact closely with the people of all regions.

Initiatives Undertaken by the Sales Department in Japan

Initiatives Jointly Undertaken with the Idemitsu-kai

Idemitsu Sales Offices in each region undertake Activities for Community and Regional Vitalization* in collaboration with the Idemitsu-kai, an organization comprising owners of Idemitsu service station retail outlets throughout Japan. Together, they promote a wide range of activities that have become part of the fabric of local communities. These activities include arts programs in addition to personal safety, traffic safety and environment-related initiatives, local cleanup activities and fundraising events.

One such activity is the Hokkaido Idemitsu Children's Art Contest held by the Hokkaido Idemitsu-kai, which marked its ninth anniversary and has become a fixture in Hokkaido. The contest has received acclaim from both visitors to the exhibitions of the winning works and the participating educational institutions, including schools and childcare centers. In its first year, 1,451 entries were received. By fiscal 2017, this number had grown to 7,910 entries.

After the works have been judged, a poster is made featuring the top selections and displayed at Idemitsu service stations within Hokkaido and an exhibition tour is held. In fiscal 2017, we simultaneously held an exhibition of the 86 winning works and special exhibitions displaying between 100 and 259 works that did not win the contest in six Hokkaido locations, with Hakodate, Muroran, Obihiro, Sapporo, and Asahikawa joined this year by Kitami. By displaying the works of children from local areas in these special exhibitions, we are helping to foster greater interaction with local communities and demonstrating our awareness of the importance of rooting ourselves in said communities.

Going forward, we will continue to promote regional projects that foster greater local community interaction.

*Activities for community and regional vitalization : Initiatives planned and proposed by Idemitsu branch offices to be carried out in cooperation with the Idemitsu-kai and each retail outlet to contribute to the vitalization of local communities and society.



The exhibition at the newly added site in Kitami



The owner of a retail outlet presenting an award certificate at a school



The winner holds an award certificate granted jointly by the Idemitsu-kai and Idemitsu alongside a badge featuring the winning work and the poster displayed at service stations



Judges assessing the works

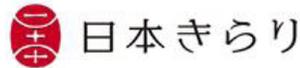


Retail outlet workers eagerly preparing for the exhibition

Initiatives Undertaken to Show Support for Regional Communities in Japan

[Nippon Kirari](#) is a retail website launched in 2012 to commemorate the 25th anniversary of the founding of Idemitsu Credit Co., Ltd. under the concept of showing support for regional communities in Japan as a way of giving back to everyone who supports the company.

Catering to discerning customers who appreciate craftsmanship, the website showcases the products/capabilities of regional communities across Japan, offering a lineup of carefully chosen artisanal goods that represent the best each locale has to offer.



TOPICS: Establishing the Idemitsu Excursion Department on Facebook



We established the department's official Facebook page in April 2017. We go on research trips to locales perfect for an excursion by car or motorcycle from the point of view of travelers and interact with residents in the area. We don't just cover the most notable features of the region; we also show the various sights, food, and people we encounter along the way. For our collaboration with Nippon Kirari, we visit the people producing Nippon Kirari products and regularly post about our travels where we learn about the manufacturing experience. We aim to create a place where people can rediscover the charm of diverse regions across Japan through our stylish videos and photos as well as our heartfelt stories. (The Facebook page is updated three times a month.)

Please refer to the community guidelines when commenting on or sharing the content.

Initiatives Undertaken by the Logistics Department in Japan

Initiatives Undertaken by the Koun-kai

The Koun-kai council of transportation companies promotes activities that are rooted in local communities, including traffic safety lessons using tanker trucks held at elementary schools, internships at oil depots, group blood drives, cleanup activities, and the purchase of goods from welfare workshops.



Koun-kai members cleaning up a beach

Initiatives Undertaken by Our Manufacturing Bases in Japan

Idemitsu's refineries and petrochemical plants in Japan work to maintain close ties with local communities as their operations greatly affect local economies and environments. Each Idemitsu refinery and petrochemical plant holds a community briefing session* at least once a year to report and explain the Group's security and safety efforts as well as environmental protection initiatives to local community members. In addition, we participate in traditional local events and undertake activities that are firmly linked to local communities. Examples include opening Company facilities to the public, offering tours of refineries to elementary and junior high school students, conducting classes at schools, holding classes on the environment, offering internships and hosting career development events, making goodwill visits to welfare facilities, conducting cleanup activities in neighboring areas and cooperating to ensure traffic safety. Along with participation in these activities, employees of cooperating partners of Idemitsu's refineries and petrochemical plants join in our efforts to keep nearby roadsides clean and improve road safety.

*Community briefing sessions: We hold meetings to which we invite local community representatives, such as heads of neighborhood associations, to explain our safety- and environment-related efforts and hear the opinions of community members.



Middle school students participating in a fire hose drill at the Chiba Refinery



A meeting on petroleum between the city of Tomakomai and Idemitsu held by the Hokkaido Refinery

Initiatives Undertaken by Bases Overseas

Resource Development Department

In Norway, which is one base for our Petroleum Development business, Idemitsu Petroleum Norge (based in Oslo) has been a sponsor of the Munch Museum, which is owned and run by the municipality of Oslo.

The support efforts began in 1991 with a donation to help fund the expansion of the museum. In 2000, the company supported restoration work being carried out on the famous artworks "The Scream" and "Madonna," which were stolen and then recovered with damage. Over the five-year period straddling the celebration in 2013 of the 150 years since Edvard Munch's birth, Idemitsu provided the museum with support that continues to today.



The central garden of the Munch Museum featuring a cherry tree donated by Idemitsu

The works of Edvard Munch are among Norway's national treasures, and Idemitsu's support for the Munch Art Museum is well-known as being among the longest-standing corporate sponsorships of the arts in the country.

In addition, Idemitsu actively works to contribute to stronger ties and closer relationships between the people of Japan and Norway by supporting the Japan Norway Society, which is an organization based in Oslo aimed at fostering friendly ties through such activities as periodic guided tours of the Munch Art Museum.

Idemitsu Australia Resources (IAR), which is one of the coal business's bases and is based in Brisbane, Australia, is working to solve local social problems from a long-term perspective through its commitment to the following management-level policies.

- Environmental Management Policy
- Energy Management Policy
- Cultural Asset Policy
- Stakeholder Engagement Policy

2016 Initiatives

• Girls Academy

To lower the high drop-out rate among Aboriginal girls and help realize quality of life improvements for the community over the long-term, IAR sponsors a youth training program that offers guidance to local female students through the medium of cultural exchange.

• Investments in the West Pack Rescue Helicopter and Community Hospitals

IAR helps support improvements in emergency medical care in rural areas as well as better community hospitals.

• Hands-on Agricultural Learning Program

To support local high schools, IAR has opened a portion of its landholdings scheduled for future development for use in hands-on agricultural programs that teach livestock grazing, growing crops, and land management (such as maintaining fences). Through this initiative, IAR is striving to promote better communication with the community.

Over the long term going forward, IAR will continue to support initiatives to give back to the community by maintaining local population levels and creating richer communities.

Lubricants Department

The Idemitsu Group is the eighth largest lubricant producer in the world, selling over 1 million kl of lubricants globally. Around the world, the Group operates 28 bases in 22 countries producing eco-friendly, fuel-efficient, CO₂ emissions-lowering motor oil and high-performance industrial lubricants as well as 37 sales bases in 23 countries.

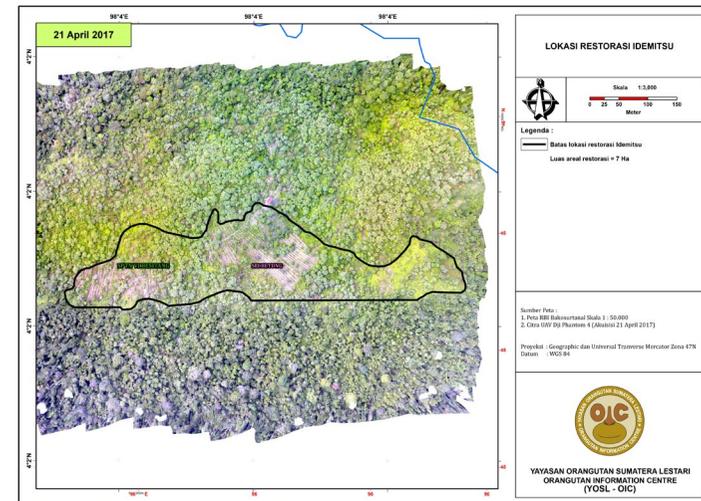
In 2004, Idemitsu Lube Techno Indonesia Co., Ltd. was founded to produce and market lubricants in Indonesia. On the island of Sumatra, the company is working with a local NGO (Orangutan Information Centre) to rejuvenate forests that are at risk of destruction. We have allotted a portion of profit from the sale of fuel-efficient 0W-20 motor oil for gasoline engines to provide funding for this initiative. Through this initiative, the company contributes to reducing the environmental impact at the consumption stage in Indonesia while supporting activities that directly protect the natural environment of the planet.

< Initiative Overview >

1. Purpose: Supporting the protection of the environment, the long-term growth of automobile and motorcycle culture, and the industries of Indonesia by providing high-quality lubricants
2. Community Overview:
 - (1) Location: The Leuser Ecosystem, which is a world heritage site centered on Leuser, North Sumatra Province
 - (2) Characteristics: One of Southeast Asia's most precious forests, spanning over 2.6 million ha and providing a habitat for tigers, Sumatran rhinos, elephants, and other wildlife.
 - (3) Issues: Due to its rich mineral reserves, the forest is in danger of forest destruction from roadworks, large-scale mining operations, palm oil plantations, and other development.
3. Schedule: Begin tree planting activities in April 2017
 The tree planting area is 7 ha. The trees will grow to maturity over about five years.
 The tree planting area will steadily expand as sales of the fuel-efficient motor oil for gasoline engines 0W-20 also expand.



The tree planting kick-off meeting in May 2017



The area targeted for tree planting