

Efforts to Improve Workplace Culture and Motivation

Next Forum Initiatives

Next Forum is a company meeting for employees and management to directly discuss, exchange opinions, and make proposals on company-wide issues with the aim of becoming a better company. Meetings are held twice a year, and forum members (total of 110 persons) selected from each department gather opinions from the workplace and directly communicate with management. The opinions of employees are fed back into company-wide activities, and we are implementing better measures so that everyone can work energetically.

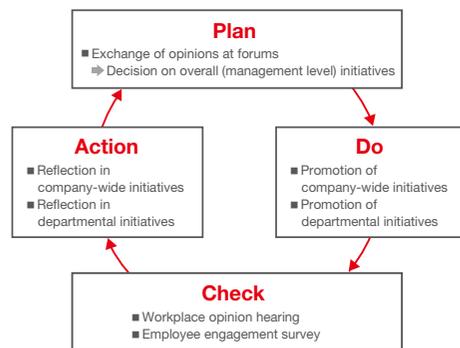
In 2019, meetings were held in February and July to discuss ways to improve work efficiency, including the results of an employee engagement survey and the many comments received from forum members, as well as factors that impede the improvement of work efficiency, such as work structures and workplace culture.



PDCA Cycle Based on an Employee Engagement Survey

We conduct an employee engagement survey once a year to quantitatively and continuously analyze employees' engagement, mutual trust, and unity.

The first survey after the business integration was conducted from late July to early August, covering a total of 10,344 people in our company and affiliated companies (27 companies), with 9,970 people (96.4% of total) responding. The results of the survey are fed back to management and all employees. Then they are analyzed in detail, and specific action plans are formulated and implemented based on it. The results of these analyses and plans are then confirmed in the next year's survey. This is the PDCA cycle.



Results of the 2019 Questionnaire Survey of Motivation



Based on the results of the above survey, we will promote company-wide work flow reforms through the creation of a flat organization and the DTK (Dattara Ko Shiyo) project (=Business Process Redesign).

The results of these efforts will be confirmed in the following year's survey.

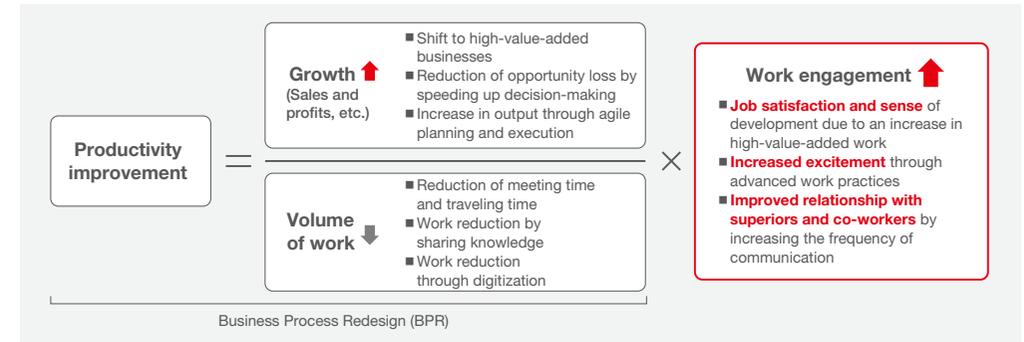
Creation of integration synergies, employee engagement survey, and initiatives to address priority issues raised at Next Forum **DTK (Dattara Ko Shiyo) Project (=Business Process Redesign)**

This project was launched with the aim of reforming the work flow and working style of all employees to ensure the sustainable development of the new integrated company.

Productivity improvement requires improvement in three factors: improving results, reducing volume of work, and improving work engagement. Improving results and reducing volume of work are equivalent to the existing operational improvement. The productivity improvement envisioned by this project is aimed at "operational improvement x improvement of each employee's work engagement." The project is divided into two phases: Phase I, which aims to unify operations of divisions in which the former companies' operations coexist, and Phase II, which seeks to create new ways of working in all divisions, including digitization.

In both phases I and II, we held workshops for leaders appointed by DTK division and members appointed by other divisions and determined guidelines for mission project activities of the project team and delved into issues. Having shifted into Phase II, we are holding study sessions and workshops on BPR (Business Process Redesign), Process Digitization, Smart Work and Agile Work for all departments.

All employees of Idemitsu Group work together to improve their work engagement to ensure that they can feel a sense of achievement at the new integrated company that solved any issue that could not have been solved by a single company.



Reform of Working Styles at Manufacturing Sites

With the aim of enhancing employees' work engagement and competitiveness in the Manufacturing & Technology Department, Head Office established a task team that includes members from manufacturing sites. We are working to reform our business by mainly diversifying worksite operations, reducing operations with immediate results, and shifting workers mainly to daytime work. Specifically, we are considering reforms based on the themes of designing operations in accordance with needs and abilities of employees and reducing the night workload.