Stimulating Self-Growth Motivation and Providing Growth Opportunities

Concept of Human Resource Education

Setting human resource development as one of our management objectives, we are committed to planning and designing employee education based on our Management Vision and Action Mindset. On the basis of skills development through on-the-job training (OJT), we support each employee to make the best use of their abilities by complementing the off-the-job training system (Off-JT) linked to the grading system. To this end, we will provide them with opportunities for self-development by combining selective, open, and level-specific training.

Until FY2018, Idemitsu and Showa Shell had conducted rank-based and age-based training, selective training, compliance training, and other programs based on their respective educational systems. Idemitsu made most of its training in-house while Showa Shell implemented most of its training supported by other companies, resulting in a difference in the amount of investment in training. Since FY2019, however, the new integrated company has worked to implement cross-industry training for new graduates education and leadership development.

Training hours and amount of investment in FY2018

		Idemitsu	Showa Shell
Training hours (hours)	Total hours	70,880	14,633
	Per person	17.8	21.0
Amount of investment in training (thousand yen)	Total amount	226,769	299,611
	Per person	57	430

* Results are from training organized by the Human Resources Department of Idemitsu and Showa Shell respectively.

Personnel Assignments and Transfers to Match the Right Person to the Right Place

Our employees have individual interviews with their superiors once a year to share their hopes and thoughts based on their "future planning sheet" which contains information on the level of satisfaction of their current job or workplace, career plans, and personal details. Grasping the direction of each individual employee's development, the Human Resources Department assigns them to appropriate positions in line with changes in the business structure. We also make changes in their job category and work location as opportunities for them to develop themselves.

Examples of Specific Initiatives

Educational Cross-Industry Training for Developing Leadership

With the aim of training personnel to demonstrate leadership rooted in their own convictions, we have been holding cross-industry training for mid-level employees in conjunction with other companies (daily necessities and insurance industries) since FY2016. Every year, 24 people (from three companies) participate in about six-month training program that creates opportunities for them to gain good people skills and creative vision by encountering diverse values and ideas, as well as by exploring their own leadership skills for leaders of future generations. In addition to this training, we actively send employees to outside training.

Workshop for Developing the Foundation of the Organization

In FY2019, we held workshops throughout Japan, including at overseas bases. In the first workshop, 600 managers, who have subordinates from different backgrounds, participated in a skill and mindset training program aimed at understanding events that are likely to occur during the integration phase and facilitating the smooth integration. In the second workshop, we encouraged representatives of both managers and staff in charge to further promote understanding of the management vision and to set their own declaration of conduct to achieve it.

	First workshop	Second workshop
Number of times	20 times	37 times
Number of participants	600 people	856 people

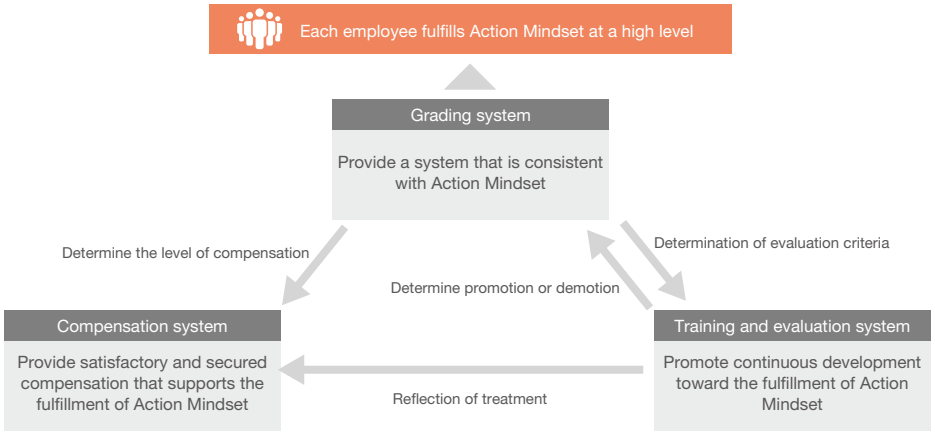
Establishment of Personnel Systems That are Rewarding and That Enable Employees to Focus on Their Work with Peace of Mind

Fair Evaluation and Compensation

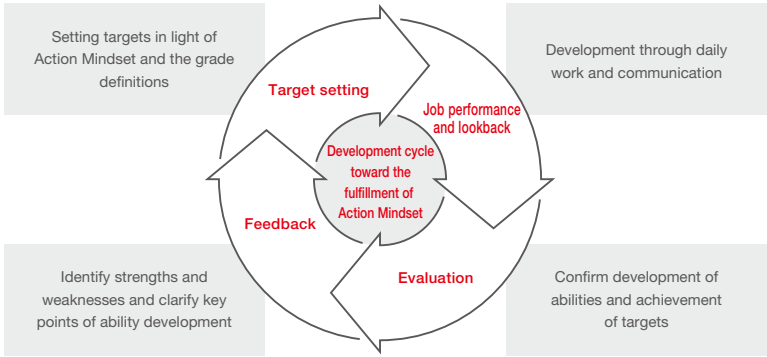
Idemitsu's evaluation system is designed to help each and every employee understand the significance of their evaluation and contribute to their personal development. It consists of "ability evaluation" for evaluating work attitudes and performance and "target achievement evaluation" for evaluating performance results and contributions. In interviews with the superior, employees confirm the target setting, the level of achievement, and abilities to be developed. The results of these evaluations are used for employees' future development, and are reflected in compensation (salary and bonus) and personnel allocation and transfers.

Our compensation system is based on the principle of guarantee of livelihood and fair treatment of employees. Our salary system for employees consists of the basic salary that is paid stably to employees who demonstrate their abilities, a bonus (target achievement evaluation) for the previous year's performance results and contribution, and various allowances. This is based on the concept that we respect each employee's lifestyle and values while wishing for the happiness of their family.

■ Overview of systems for human resource development



■ Development cycle toward the fulfillment of Action Mindset

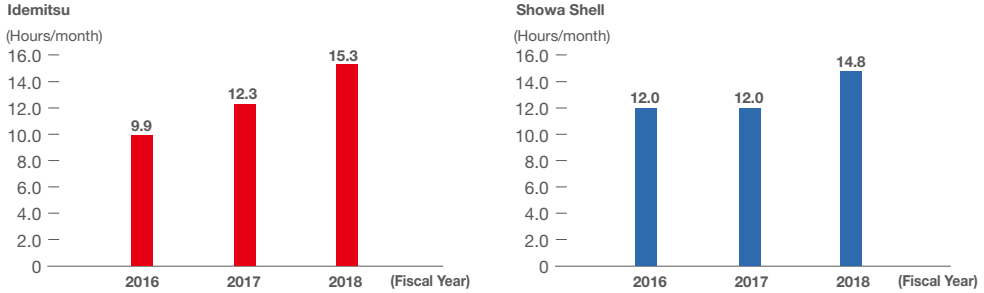


Promotion of Diverse and Flexible Working Styles

As part of our efforts to create a worker-friendly environment for a diverse range of employees, we have established systems and structures such as the work-from-home system, the flextime system, and satellite offices that could help reduce the burden of commuting. In FY2019, we participated in Telework Days 2019 organized by the National Government and the Tokyo Metropolitan Government to promote the use of the telecommuting system. We will work to ensure that these systems are used to promote efficient work practices going forward.

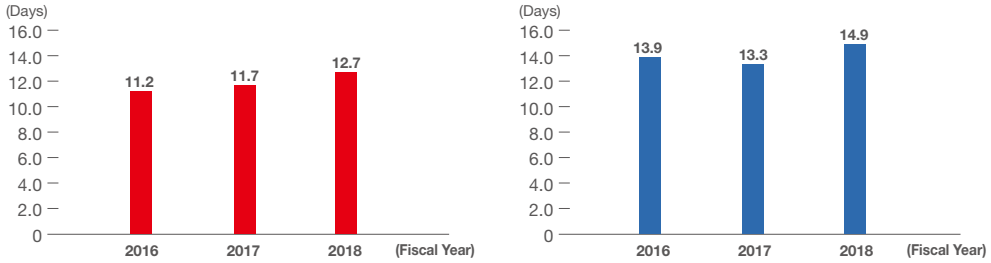
As for the management of working hours, we use the work management system to appropriately grasp the actual working conditions of employees and to regularly raise their awareness of working hours, aiming to increase productivity. In FY2018, overtime work hours increased due to the reduction of the prescribed working hours by Idemitsu (7.5 hours/day) and the temporary work load resulting from the management integration. In efforts to improve the workplace culture and promote job satisfaction (page 35), we aim to achieve a work-life balance by reviewing work and improving work efficiency.

■ Average overtime work hours per employee ☑



* Results for Idemitsu and Showa Shell non-consolidated, excluding employees in managerial positions, employees on leave and seconded employees.

■ Average annual paid leave taken by an employee ☑



* Results for Idemitsu and Showa Shell non-consolidated, excluding employees on leave and seconded employees.

Average usage rate of annual paid leave per employee (FY2018) ☑

(Unit: %)

Idemitsu	Showa Shell
68.4	74.6

* Results for Idemitsu and Showa Shell non-consolidated, excluding employees on leave and seconded employees.
* Average usage rate of annual paid leave per employee is the ratio of the number of paid leave taken to the number of paid leave given per year.