

# Our Management Philosophy and Main ESG Policies and Initiatives

The Idemitsu Group's mission is to operate in accordance with the management philosophy of respect for human beings, undertaking business with a focus on people and contributing to the sustainable development of society through its operations. The Company regards this as its social responsibility. In other words, our management philosophy is the very definition of sustainability.

Matters considered to be sustainability issues, such as environmental, society and governance issues, are promoted autonomously by each controlling division in accordance with the policies of various committees and headquarters. For detailed information on social and environmental performance data, visit Idemitsu's official website.

## Our Management Philosophy

Sazo Idemitsu's words of wisdom were recently collectively summarized as the Principles of Management, Management Policies and Action Guidelines and serve as the management philosophy of the Idemitsu Group. Remaining true to the Principles of Management, we seek to fulfill stakeholders' commitments as depicted in the Management Policies, with employees unflinchingly performing their respective roles in accordance with the Action Guidelines.

### Principles of Management

Since its establishment, Idemitsu has been practicing the concept of "respect for human beings" in the conduct of business, and has sought to meet the high expectations of society and to earn its trust. In order to realize this ideal, the Company strives to do the following:

- To play a beneficial role in society by creating an environment where people trust each other and work together to realize through business the tremendous potential of "human beings,"
- To ensure that each employee develops into a reliable person and is respected in society, while upholding our vision, high ideals and engaging in mutual improvement through amicable competition, and
- To attach great importance to our promises to customers and seek to be worthy of the trust vested in us by unflinchingly fulfilling those promises.

### Management Policies

#### ● Creation and provision of new value to customers

We provide products, technologies and services that give customers a strong feeling of assurance, greater vitality and absolute satisfaction, as we strive to create new value.

#### ● Contribution to society and the environment

We make safety the cornerstone of business and strive to preserve and improve the natural environment. We also contribute to communities, culture and society.

#### ● Assured returns to shareholders

We fulfill our corporate social responsibilities, strive for sound, sustainable growth and endeavor to generate stable returns for shareholders.

#### ● Cooperation with partners

We secure the confidence, greater vitality and absolute satisfaction of our customers through cooperation with the retail outlets of service stations and others involved in our businesses, and aim to share the results as well as the success.

#### ● Pursuit of employees' growth and self-realization

We create a work environment in which each employee can pursue his or her own growth and self-realization. We also make every effort to ensure that each employee is respected.

### Action Guidelines

#### ● Customers first

Consider how customer satisfaction can be attained and act accordingly.

#### ● Sense of ethics

Maintain high ethical principles and act sincerely and fairly.

#### ● Accepting challenges

Exercise originality and ingenuity through flexible views and ideas, and consistently meet the challenge of high-speed innovation.

#### ● Consensus and cooperation

Devote effort to thorough discussion and work as one to implement conclusions.

#### ● Autonomy

Accomplish assigned tasks with responsibility and pride.

#### ● Broad-mindedness and employee development

Strive to create a broad-minded corporate culture for mutual growth.

#### ● Harmony with communities

Contribute to the development of local communities as a good corporate citizen.

## E

(Environment)

Promoting initiatives to protect the environment and lower environmental impact  
Conserving energy  
Promoting biodiversity  
Reducing GHG emissions

### Environmental Policies

We place priority on conserving the environment across all our business domains, operations and actions and seek to promote the following:

1. Pollution prevention and environmental conservation
2. Compliance with environment-related laws, regulations, agreements, and industrial standards
3. Establishment and achievement of environmental targets
4. Development and widespread use of environmental technologies and products
5. Improvement of energy use efficiency and effective resource utilization
6. Reduction of impact on biodiversity
7. Enhancement of environmental management systems

### Reducing GHG Emissions

1. Expand the Renewable Energy Business
2. Research low-carbon uses and highly efficient uses of fossil fuels.

## S

(Society)

Maintaining relationships with stakeholders  
Managing health  
Creating lively workplace environments  
Promoting diversity management  
Promoting supply chain initiatives  
Contribute to communities and society

### Basic Policy on Maintaining Relationships with Stakeholders

Each employee fulfills their own role in line with our action guidelines to keep our promises to all our stakeholders outlined in the principles of management and our management policies.

### Health-Related Policies

At Idemitsu, each employee aims to be a respected member of society while genuinely enjoying their jobs and working freely. The Company therefore considers one of its top priorities to be a policy of health promotion that ensures employees' minds and bodies are healthy and vigorous into their 60s. We encourage all employees to proactively manage their health and work to create an active workplace.

### Society-Related Policies

1. Promote diversity management
2. Promote supply chain initiatives
3. Contribute to communities
4. Contribute to society through cultural activities

## G

(Governance)

Corporate governance  
Risk management  
Compliance  
Safety and security  
Quality assurance

### Outline of the Corporate Governance Structure

Idemitsu's Board of Directors makes important management decisions and oversees business execution. Idemitsu has adopted the structure of a company with an audit & supervisory board. As such, the Audit & Supervisory Board and its members are independent of the Board of Directors and monitor the execution of the directors' duties.

In accordance with relevant laws and regulations, the Company's Articles of Incorporation, and other Company rules, the Board of Directors makes important management decisions on such matters as business strategy and plans and provides oversight of business execution. For other matters, in order to ensure swift decision-making with regard to business execution, executive authority is delegated to the president, directors and executive officers assigned to specific areas, and general managers.

### Basic Policy on Risk Management

Idemitsu strives to identify and evaluate risks associated with the Idemitsu Group's business activities and to eliminate or minimize these risks to the greatest extent possible to ensure stable management.

### Basic Policy on Compliance

Based on its management philosophy, Idemitsu considers compliance a social responsibility and rigorously implements compliance within its organization.

### Basic Policy on Safety and Security

The Idemitsu Group considers the assurance of safety and security in all business activities, operations and actions as its highest priority and is focusing on the measures below.

1. Assure the safety of people
2. Assure the security of facilities and processes
3. Assure safety through compliance with various rules and regulations when carrying out business and establish safety and security management systems
4. Properly allocate and utilize management resources
5. Establish a culture and management that emphasize safety

### Basic Policy on Quality Assurance

We aim to create new value that provides comfort, vitality, and satisfaction to customers and contribute to society by stably and economically supplying safe, high-quality products and services matched to the demands of customers.



# Governance

## Corporate Governance

Since its founding, Idemitsu has consistently maintained the utmost respect for people and has worked diligently to be a socially respected and highly trusted company. With this aim in mind, the Company recognizes the importance of building positive relationships with all stakeholders, including customers, shareholders, business partners, local communities, and employees, by fulfilling its social responsibility as a good corporate citizen, improving management transparency, and promoting sound and sustainable growth. Japan's Corporate Governance Code is intended to promote corporate growth and increase corporate value over the medium and long terms through dialogue with shareholders. Reflecting its aim to be a socially respected and highly trusted company, Idemitsu believes that the Corporate Governance Code should basically be adhered to.

To enhance governance, in 2003 the Company established the Management Advisory Committee and Safety & Security Advisory Committee, both comprising external experts, as advisory bodies to the Board of Directors. The Company utilizes the expert insight provided by these committees in management. Since then, Idemitsu has continued to make improvements, appointing independent outside Audit & Supervisory Board members and then, from 2014 onward, appointing multiple independent outside directors. The outside directors and Audit & Supervisory Board members offer diverse backgrounds and insights. By candidly discussing the state of Idemitsu's businesses and the surrounding environment with these outside members and earnestly acting on their frank opinions, Idemitsu aims to ensure transparent and fair management.

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At the May 15, 2018 Board of Directors meeting, the board confirmed the operational status of the internal control system in fiscal 2017 and, to further enhance the system's efficacy, adopted a basic policy on the internal control system for fiscal 2018. In line with this basic policy and to reinforce risk management, in July 2018 the Company revised its system, establishing a new Enterprise Risk Management Committee, chaired by the president, and merged the existing Risk Management Committee and Compliance Committee to create the Operational Risk and Compliance Committee.

[Management Policy](#) [Corporate Governance](#)

## Status of the Corporate Governance Structure

Idemitsu has 11 directors. In 2017, the number of outside directors was increased by two. As a result, outside directors now account for more than one third of the board's membership and comprise individuals with diverse backgrounds, including a woman and a non-Japanese national. Each director's term lasts one year, and elections are held every year at the General Meeting of Shareholders. In fiscal 2017, the Board of Directors met 16 times.

Of the four Audit & Supervisory Board members, two are outside members, and there is a system in place to allow them to carry out their function of external oversight of management. At its meetings, the Audit & Supervisory Board strives to share issues and information among the Audit & Supervisory Board members and requests information from the directors and operating divisions as necessary in order to improve the level of oversight. In fiscal 2017, the Audit & Supervisory Board met 18 times.

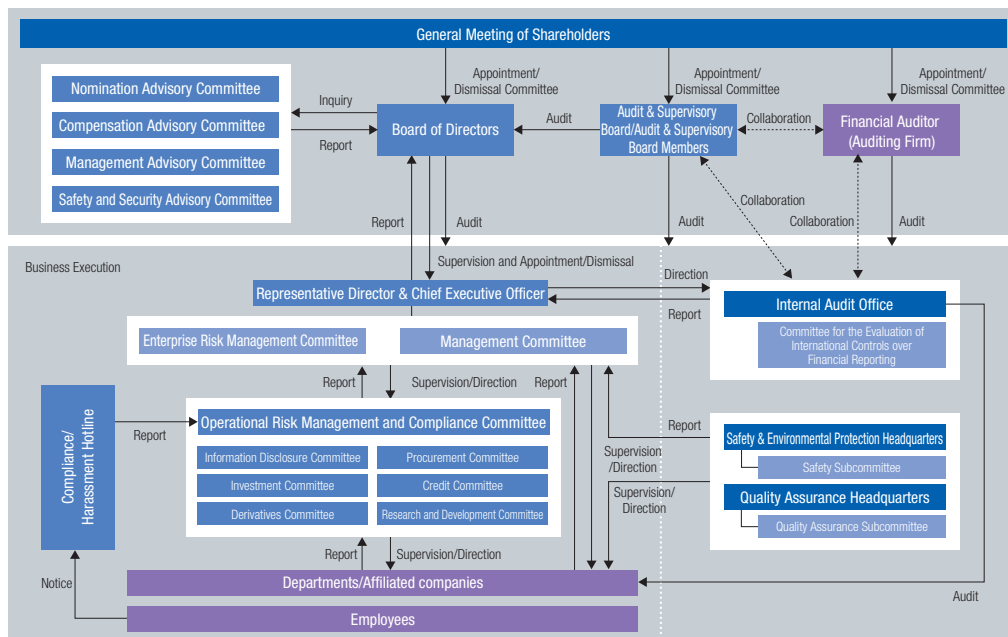
Type of governance structure:	Company with an Audit & Supervisory Board
Number of directors set in the Company's Articles of Incorporation	20, at most
Term of a director set in the Company's Articles of Incorporation	1 year
Head of Board of Directors	Representative Director & CEO
Number of directors	11
Outside directors appointed or not	Appointed
Number of outside directors	4
Number of independent directors among the outside directors	4
Audit & Supervisory Board established or not	Established
Number of Audit & Supervisory Board members set in the Company's Articles of Incorporation	6, at most
Number of Audit & Supervisory Board members	4
Outside Audit & Supervisory Board members appointed or not	Appointed
Number of outside Audit & Supervisory Board members	2
Number of independent members among the outside Audit & Supervisory Board members	2

[Management](#)



## Corporate Governance Structure

### Corporate Governance Structure



[Corporate Governance Code \(Japan Exchange Group website\)](#)

## Evaluating the Effectiveness of the Board of Directors

At least once a year, all of Idemitsu's directors and Audit & Supervisory Board members together evaluate the effectiveness of the Board of Directors as a whole and disclose a summary of the results.

For the fiscal 2017 evaluation, the results of a 26-item survey given to all Directors and Audit & Supervisory Board members were used as the basis for deliberation at a meeting of the Board of Directors. The drafting of the questions included in the survey and the analysis of the results were done in consultation with a specialized outside organization.

In fiscal 2017, with the number of independent outside directors increased by two, the combined membership of the Board of Directors and Audit & Supervisory Board was balanced with regard to the ratio of internal to outside members (nine internal to six external members) and diversity (members include a woman and a non-Japanese national). The Board of Directors shared important information and held deep and multifaceted discussions. The survey and following deliberation determined that the roles and responsibilities of the Board were fulfilled and effectiveness had been secured.

Regarding enhancing pre-meeting explanations for outside directors, which was identified as an issue in the previous fiscal year's evaluation, the Company worked to deepen the outside directors' understanding of its business content and management strategies, knowledge of which underpins discussions at board meetings. To this end, Idemitsu employed opportunities outside regular board activities, including having outside directors visit facilities in and outside Japan (including in Australia and the United States) and having them attend presentations by technological and research divisions. The Company also strove to enhance understanding of its businesses through free debate at outside officer meetings, which are held once every three months by outside directors and outside Audit & Supervisory Board members. As part of pre-meeting explanations for the Board of Directors, the Company provided not only explanations of proposals, but of its businesses.

Also identified in the previous year's evaluation was the issue of further deepening discussions at the Board of Directors on such matters as corporate strategy, medium-term plans, and annual plans. During the formulation of the Fifth Consolidated Medium-Term Management Plan, pre-meeting explanations for outside directors included information about the status of plan discussions so that the Board of Directors could effectively exchange opinions on related matters. Points that were brought up about future business environment assumptions and other matters as a result were reflected in the plan.

Another issue identified was the sharing of information on the Nomination and Compensation Advisory Committee's role, responsibilities, and deliberative agenda with the Board of Directors. With regard to this issue, the committee conducted multifaceted evaluations of the new candidate for president as well as director and Audit & Supervisory Board member candidates for proposal at the General Meeting of Shareholders and reported on these activities to the Board of Directors. The committee also reported on director compensation based on objective data, including industry standard compensation levels. In this way, the committee worked to make its processes more transparent.

In fiscal 2018, Idemitsu will continue to ensure the thorough sharing of information on matters discussed at the meetings of the Management Committee, which are held prior to meetings of the Board of Directors, so that the independent outside directors can further deepen their understanding of proposals before heading into Board of Directors meetings. In addition, the Board of Directors will monitor the progress of the Medium-Term Management Plan.

The Nomination and Compensation Advisory Committee will be reorganized into a Nomination Advisory Committee and a Compensation Advisory Committee. The members of the two committees will be the six independent outside directors and Audit & Supervisory Board members. The committees will select their own chairs, who will represent them and report the results of their discussions to the Board of Directors.

Idemitsu is also advancing initiatives, including structural changes, to address other issues identified through evaluations, namely sustainability, promoting the success of women, the risk management system, and reinforcing the functions of the Board of Directors.

## Officer Remuneration

The Compensation Advisory Committee comprises two outside directors and one outside Audit & Supervisory Board member. Cash remuneration for directors was set at no more than ¥1.2 billion annually at the 91st Ordinary General Meeting of Shareholders on June 27, 2006. The Board of Directors sets individual amounts in consideration of the report submitted by the Compensation Advisory Committee. Remuneration for fiscal 2017 amounted to ¥680 million for 15 individuals, including outside directors. Outside of basic remuneration, the Company provides no stock options, bonuses, employee salaries, retirement allowances, or other forms of remuneration.

By resolution of the 103rd Ordinary General Meeting of Shareholders on June 28, 2018, Idemitsu has adopted a performance-linked stock compensation plan for its Directors (excluding outside directors and those who are non-residents of Japan) and executive officers (excluding those who are non-residents of Japan) (hereinafter collectively referred to as the “directors, etc.”). This highly transparent and objective officer compensation plan is closely linked to the Company’s operating results and was adopted to better motivate the directors, etc., to contribute to enhancing the Company’s medium- and long-term operating results and expanding its enterprise value. The plan takes the form of a Board Incentive Plan (BIP) trust, a stock compensation plan in which a trust acquires shares of the Company using funds contributed by the Company for the compensation of directors, etc., and carries out the delivery and grant of the Company’s shares and cash equivalent to the converted value of such shares to Directors, etc.

Based on the Company’s operating performance in each fiscal year over a period of three consecutive fiscal years, the trust will deliver and grant the Company’s shares and cash as officer remuneration after the retirement of the directors, etc. The maximum total that may be contributed by the Company to the trust is ¥980 million, and the maximum number of the Company’s shares that may be acquired by the trust is 381,000 (both these figures are per three-year period).

## Management Supervision Mechanisms

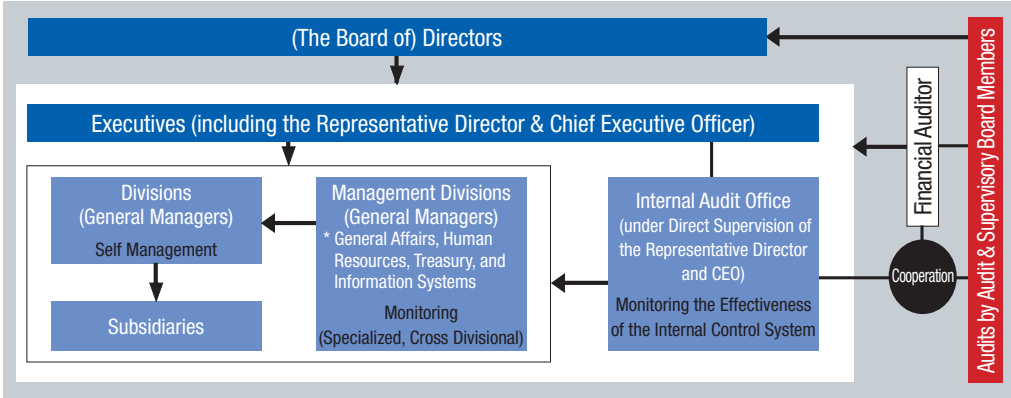
The mechanism to monitor management encompasses supervision by the Board of Directors, auditing by Audit & Supervisory Board members, and audits by accounting auditors. Under the direction of executives from the Representative Director and CEO on down, each of these three lines of defense has a role to fulfill in carrying out internal control.

First, each division undertakes self management in their daily operations, conducts thorough risk management, and ensures the legality of business operations. Then the divisions that manage general affairs, human resources, treasury, information systems, and safety & environment provide support to the divisions and monitor self management in each specialized field.

We established the Internal Audit Office under the direct supervision of the Representative Director and CEO. The office’s dedicated staff conducts internal audits and evaluations of internal controls over financial reporting (J-SOX) in an independent and objective manner. Specifically, the office conducts internal audits of offices and subsidiaries in and outside Japan. In fiscal 2017, the office conducted internal audits of 12 divisions in Japan and seven overseas, for a total of 19 (including 15 affiliates and subsidiaries). In this way, the effectiveness of each division’s internal controls is evaluated, and the results are reported to the Representative Director and CEO, relevant officers, Audit & Supervisory Board members, and general managers. Any division that receives advice or recommendations in the course of an internal audit works to systematically remedy the situation. The Internal Audit Office then conducts follow-up audits as needed.

## Auditing by Audit & Supervisory Board Members

All of the Company’s four Audit & Supervisory Board members attend board meetings and conduct audits of the business reports, non-consolidated financial statements, and consolidated financial statements presented at the General Meeting of Shareholders and of the day-to-day execution of the duties of the directors. Standing Audit & Supervisory Board members attend important internal meetings, including meetings of the Management Committee, and execute their auditing duties by interviewing general managers, overseas business office managers, and the representative directors and CEOs of subsidiaries. Meetings are held between Audit & Supervisory Board members and representative directors on a quarterly basis in principle. These meetings serve as a forum for raising and deliberating on pertinent issues.





## Committees

### Advisory Committees

In order to maintain the transparency and soundness of management, the Company has established the following two committees consisting of external experts as advisory organs to the Board of Directors. The Company listens closely to the frank opinions provided by third parties through these committees and uses what it learns to improve management.

The Management Advisory Committee serves as an advisory organ on issues related to innovating all aspects of management. The committee meets once every half-year period in principle and engages two external advisers who provide advice.

The Safety & Security Advisory Committee provides guidance on strengthening safety and security, especially with regard to matters of a technical nature, to prevent large-scale disasters at Idemitsu's refineries and business sites. Due to recent changes in the business environment, assuring safety and security with regard to business expansion, new businesses, overseas expansion, and other matters is becoming even more important. To this end, Idemitsu has established a working group on the issue within the Safety & Environmental Protection Headquarters to select themes useful for business development and solicit advice from experts as needed.

The Nomination Advisory Committee and Compensation Advisory Committee comprise independent outside directors and independent outside Audit & Supervisory Board members. The Nomination Advisory Committee reports on matters related to the appointment of director candidates proposed by the President and submitted to the General Meeting of Shareholders for approval. The Compensation Advisory Committee reports on matters related to director compensation at the request of the Board of Directors.

### The Management Committee, Enterprise Risk Management Committee, and Other Committees

The role of the Management Committee is to make decisions related to business execution, and the role of the Enterprise Risk Management Committee is to determine risk management policy and carry out monitoring. Beneath these committees, Idemitsu has established the Operational Risk and Compliance Committee to assist with risk management as well as other committees to meet various needs.

The Company has also established the Committee for the Evaluation of Internal Controls over Financial Reporting, which considers and deliberates on items concerning annual preparations, operating policies, and evaluation plans, as well as decisions on the scope of evaluations.

With the exception of the Management Committee and the Enterprise Risk Management Committee, the chair of each committee is in principle a director or executive officer other than the Representative Director & Chief Executive Officer and plays a cross-divisional role as part of Company-wide internal control in order to operate the committees effectively.

An overview of the committees is provided in the following table.

Committee Name	Chair	Members	Meeting Frequency	Roles
Management Committee	President	Committee members appointed by chair	In principle, twice a month	To discuss and consider management strategies and issues for the Group as a whole and for each division. To decide on the execution of business.
Enterprise Risk Management Committee	President	Committee members appointed by chair	In principle, four times a year	To discuss and consider management strategies and issues for the Group as a whole and for each division. To decide on and monitor risk management policies.
Operational Risk and Compliance Committee	Director or executive officer	General managers of relevant departments	In principle, four times a year	To draft and deliberate on key policies for ensuring strict compliance and promoting operational risk management. To promote compliance activities.
Committee for the Evaluation of Internal Controls over Financial Reporting	Director, executive officer, or general manager of Internal Audit Office	General managers of relevant departments	In principle, twice a year	To assess and consider matters related to internal controls regarding financial reporting.
Disclosure Committee	Director or executive officer	Chair of the Operational Risk and Compliance Committee and general managers of relevant departments	As needed	To decide on disclosure of information.
Investment Committee	General manager of Corporate Planning Department	Committee members appointed by chair and general manager of Treasury Department	As needed	To deliberate and report on investment-related matters and to establish investment standards.
Derivative Committee	Director or executive officer	Committee members appointed by chair	In principle, four times a year	To perform derivative audits and to confirm and report on the status of risk management for the entire Group.
Procurement Committee	General manager of Corporate Planning Department	General managers of relevant departments	In principle, once a month	To deliberate on and consider matters regarding the placement of orders for services, raw materials, and other items.
Credit Committee	General manager of Treasury Department	General managers of relevant departments	In principle, once a month	To formulate basic policies related to debt management and measures for collecting non-performing loans.
Research and Development Committee	Director or executive officer	General managers of relevant departments	In principle, four times a year	To consider matters related to the direction, strategies, and issues pertaining to Company-wide research and development.



## CSR Promotion Structure

The Idemitsu Group's mission is to operate in accordance with the management philosophy of respect for human beings, undertaking business with a focus on people and contributing to the sustainable development of society through its operations. The Company regards this as its social responsibility. In other words, our management philosophy is the very definition of corporate social responsibility.

Matters considered to be CSR issues, such as environmental, society and governance issues, are promoted autonomously by each controlling division in accordance with the policies of various committees and headquarters. The controlling divisions, which serve as secretariats for committees and headquarters, provide support for CSR promotion undertaken by business sites and perform auditing while providing guidance for improvement when necessary.

The Sustainability Strategy Office oversees CSR activities and responses in accordance with changes in the environment underpinned by knowledge of CSR trends within Japan and abroad and stakeholder demands. At the same time, it also provides both financial and non-financial information to stakeholders on the current state of the Company's management through the Idemitsu Report in collaboration with the controlling divisions.

[Management Philosophy](#)

### Risk Management Committee

Item	Committees, etc	Controlling Department
Overall advancement of CSR	Management Committee	Corporate Sustainability Department
Risk management	Operational Risk and Compliance Committee	Corporate Planning Department General Affairs Department
Legal compliance		
Security and occupational safety	Safety & Environmental Protection Headquarters	Safety, Environment & Quality Assurance Department
Environmental conservation		
Quality assurance and product safety		
Employment and labor practices	—	Human Resources Department
Protection of and respect for regional cultures	—	General Affairs Department/three refineries, two petrochemical plants
Disclosure/public communication	Disclosure Committee	Public Relations Office/ Treasury Department
Information management (including protection of personal information)	—	General Affairs Department/Information Systems Department/Intellectual Property Department

[Compliance](#)

[Risk Management](#)

[Safety and Security](#)

[Environmental Management](#)

[Quality Assurance and Product Responsibility](#)

[Creating Rewarding Workplace Environments](#)

[Relations with Local Communities](#)

## Operational Risk and Compliance Committee

Chair	Director or executive officer
Members	General managers of the Public Relations Office; Corporate Planning Department; Safety, Environment & Quality Assurance Department; General Affairs Department; Human Resources Department; Treasury Department; Manufacturing & Technology Department; and Information Systems Department
Secretariat	General Affairs Department's Risk Management Group
Basic policy	Consider compliance a social responsibility and rigorously enforce compliance within organizations in line with Idemitsu's management policy
Activities	<ul style="list-style-type: none"> <li>• Matters associated with the identification of important risks and countermeasures against such risks</li> <li>• Detection of signs of critical risk being materialized and the emergence of new risks and the implementation of countermeasures</li> <li>• Other matters associated with the promotion of operational risk management</li> </ul>

## Safety & Environmental Protection Headquarters

Head	A director appointed by the Board of Directors (called the director in charge of safety and security)
Deputy head	General manager of the Safety, Environment & Quality Assurance Department
Members	General managers of each relevant department in charge
Secretariat	The Safety & Environmental Management Section of the Safety, Environment & Quality Assurance Department
Basic Policy	<p>The assurance of security and safety is the result of management efforts. We are aware that realizing zero accidents and disasters must be the foremost goal of management and we place the highest priority on assuring the safety of people and the security of facilities and processes.</p> <p>Strive to reduce environmental burdens attributable to business activities while engaging in cutting-edge environmental preservation initiatives, thereby contributing to the creation of a society in which economic and environmental concerns are harmoniously addressed</p>
Activities	<p>Each fiscal year, the Safety &amp; Environmental Protection Headquarters outlines basic policies and important items related to safety and the environment for the Group. The business divisions in charge each implement PDCA cycles in accordance with these policies. The Safety &amp; Environmental Protection Council is convened annually in principle to review the Group's progress and determine policies for the upcoming fiscal year.</p> <ul style="list-style-type: none"> <li>• Each business site appoints a deputy safety manager and deputy environmental conservation manager.</li> <li>• Once a year, the head of the Safety &amp; Environmental Protection Headquarters tours the work sites of refineries and petrochemical plants to provide safety and environmental instruction and the headquarters' secretariat implements safety and environment-related audits. Other business sites implement safety and environment-related audits once every three years</li> </ul>





## Quality Assurance Headquarters

Head	A director appointed by the Board of Directors
Deputy head	General manager of the Safety, Environment & Quality Assurance Department
Members	General managers of business divisions related to product quality
Secretariat	The Quality Assurance Section of the Safety, Environment & Quality Assurance Department
Basic Policy	To ensure safe, high-quality products and services matched to the demands of customers, Idemitsu smoothly undertakes quality assurance activities and thorough assurance of product safety.
Activities	<ul style="list-style-type: none"> <li>The Quality Assurance Headquarters outlines basic policies and important items related to quality assurance for the Group each fiscal year. Each relevant business division in charge implements PDCA cycles in accordance with these policies. The Quality Assurance Council is convened annually in principle and reviews the Group's progress.</li> <li>Idemitsu established the Quality Assurance Subcommittee organized by the quality assurance deputy manager of each business division related to product quality under the Quality Assurance Headquarters. The Quality Assurance Subcommittee works to maintain and continuously improve the level of quality assurance.</li> </ul>

## Information Disclosure Committee

Chairman	Director of the Public Relations Department or the director or executive officer in charge
Members	Chairman of the Operational Risk and Compliance Committee and general managers of the General Affairs Department; Treasury Department; IR Office within the Treasury Department; Corporate Planning Department; and Public Relations Office
Secretariat	Public Relations Office
Basic Policy	<ul style="list-style-type: none"> <li>To practice accurate, fair, timely and impartial disclosure</li> <li>To ensure thorough information disclosure in accordance with laws, regulations and standards</li> <li>To strive to disclose information that deepens understanding of the Group</li> </ul>
Activities	<ul style="list-style-type: none"> <li>The committee will establish a basic policy concerning information disclosure.</li> <li>The committee decides on the information to be disclosed and, taking into consideration the impact on the market, determines the appropriate content, method and timing of the disclosure.</li> <li>The committee approves the publication of the IR Newsletter, Annual Report, and IDEMITSU Report.</li> </ul>

## Fiscal 2017 (as of July 31, 2017)

Committee name	Chairman or head	Title	Name
Compliance Committee Risk Management Committee	Chairman	Director	Toshiaki Sagishima
Safety & Environmental Protection Headquarters	Head	Vice President (Director in charge of safety and security)	Takashi Matsushita
Quality Assurance Headquarters	Head	Vice President	Takashi Matsushita
Disclosure Committee	Chairman	Managing Director	Susumu Nibuya

## Fiscal 2018 (as of July 31, 2018)

Committee name	Chairman or head	Title	Name
Operational Risk and Compliance Committee	Chairman	Senior Executive Officer	Kazuhisa Harada
Safety & Environmental Protection Headquarters	Head	(Director in charge of safety and security)	Toshiaki Sagishima
Quality Assurance Headquarters	Head	Executive Officer	Toshiaki Sagishima
Disclosure Committee	Chairman	Managing Director	Michiyo Terakami