

Enhancing Human Rights/Personnel Policies

Respect for Human Rights and Better Working Conditions

Under the Consolidated Medium-Term Human Rights/Personnel Plan (Fiscal 2013–2017), the Cosmo Oil Group is providing even better working conditions for employees, focusing on five areas: increasing work efficiency and better managing working hours, encouraging work-life balance, respecting diversity, maintaining and improving mental and physical health, and eliminating power and sexual harassment.

Global Human Resources Development

The Cosmo Oil Group has 125 employees stationed in eight countries outside Japan. Aiming to become a vertically integrated global energy company, the Group is developing human resources who are capable of tackling diverse projects in and outside of Japan. To foster global personnel with diverse experience and skills, the Group sends younger and mid-career employees to work on international projects outside Japan and also sends employees for continuing education abroad. In fiscal 2014, the Group sponsored two employees' education at institutions outside of Japan, and it has already selected an additional employee to study abroad in fiscal 2015. The Group also regularly sends employees for continuing education at an international college in Niigata, Japan.

Number of Employees Stationed Outside Japan by Country: Fiscal 2014

As of March 31, 2015

Country	No. of Employees ¹
UAE	88
Bahrain	1
Qatar	14
China	3
USA	3
UK	1
Singapore	8
South Korea	7

1. The number of employees includes those dispatched from Cosmo Oil and full-time employees of Cosmo Engineering Co., Ltd., Cosmo Trade & Service Co., Ltd., Cosmo Research Institute, and Cosmo Energy Exploration & Production Co., Ltd.

Number of Employees Stationed Outside Japan: Fiscal 2010–2014

Fiscal Year	No. of Employees ¹
2010	91
2011	89
2012	94
2013	104
2014	125

Number of Sponsored Employees Continuing Their Education: Fiscal 2014

As of March 31, 2015

Country	No. of Employees
Studying in Japan	2
Studying in US	2

Skills Management

Cosmo Oil's on-the-job and grade-specific training programs aim to foster active, self-motivated personnel. In fiscal 2015, the Company launched initiatives to encourage women in the workplace, including training for all employees who have been transitioned from the non-management track¹ and diversity training for line managers.

The Company will continue to support the professional development and growth of employees, through greater integration of skills development (such as through training programs and correspondence courses) and job placement. These efforts will further enhance human resources development, building upon the personnel policies that the Company instituted in April 2015 and the Cosmo Oil Group's new holding company structure, which is to be adopted in October 2015.



Diversity training for line managers.

Fiscal 2014 Management Training

Period: April 1, 2014 to March 31, 2015

Training Category	No. of Participants	Approx. Hours
All line managers (assessor training, diversity training)	402	7
Newly promoted line managers	30	24
Newly promoted managers	16	15

Fiscal 2014 Management-Track Employee Training²

Period: April 1, 2014 to March 31, 2015

Training Category	No. of Participants	Approx. Hours
Newly promoted 3rd-grade employees	47	15 hours
5th-year employees	30	15 hours
2nd-year employees	24	15 hours
New employees	30	2 months

1. Cosmo Oil Co., Ltd. rearranged its employment system in fiscal 2015, abolishing the category of "non-management track employees."
2. The Company also helps interested employees to pay for correspondence courses and/or acquire work-related qualifications.

Respecting Diversity and Providing Equal Opportunity

Committed to offering fair employment opportunities, the Cosmo Oil Group seeks to maintain and, when possible, increase its employment of persons with disabilities. In fiscal 2014, persons with disabilities accounted for 1.99% of the workforce of Cosmo Oil Co., Ltd., falling just short of the 2.0% rate mandated in Japan. In response, the Company is taking steps group-wide to hire more persons with disabilities, and will offer working conditions that enable all employees to realize their full potential.

Employment of People with Disabilities (data reported to Japan's Ministry of Health, Labour and Welfare)¹

	June 2011	June 2012	June 2013	June 2014	June 2015
Total number of employees with disabilities	45	46	41	39	37
(Number with severe disabilities)	23	23	21	20	18
Employment rate of people with disabilities ²	2.1%	2.3%	2.1%	2.07%	1.99%
Shortfall in the mandatory number of employees with disabilities	0	0	0	0	1

1. For Cosmo Oil Co., Ltd., as of June 1 in each year.
2. Legally mandated employment rate: 2.00% (rounded to the second decimal place).

Facilitating Work-Life Balance

Identifying the need for better work-life balance as a priority task under its Consolidated Medium-Term Human Rights/Personnel Plan, Cosmo Oil actively encourages employees to utilize company provisions and benefits.

For example, the Company encourages employees to use their paid holidays by, for instance, taking summer vacations, and to take the special occasion paid holidays it provides for first wedding anniversaries and each child's first birthday. Based on the report from the Cosmos Project,¹ launched in January 2014, the Company will do more to encourage male employees in particular to take childcare leave, making it a core measure under its sixth action plan for general business owners.²

1. For more information, see page 28.
2. **Action plan required for general business owners:** Based on Japan's Act on Advancement of Measures to Support Raising Next-Generation Children, these plans outline timeframes, objectives, and duration of implementation for measures to support and enhance working conditions for workers who are raising children.

Special Occasion Paid Holidays¹

As of March 31, 2015

	FY2013	FY2014
Employees qualifying to receive paid holidays	121	135
Number of employees taking paid holidays	49	63
Percentage of paid holidays taken	40.5%	46.7%

1. Special occasion paid holidays have been provided since fiscal 2013 for the first wedding anniversary (one day) and the first birthday of each child (two days), separate from designated paid holidays.

Number of Employees Taking Childcare Leave¹

As of March 31, 2015

	FY2012	FY2013	FY2014
Men	2	4	2
Women	15	17	16

1. If a person's childcare leave stretches across two fiscal years, that person is counted in the number for both fiscal years.

Employees Working Reduced Hours

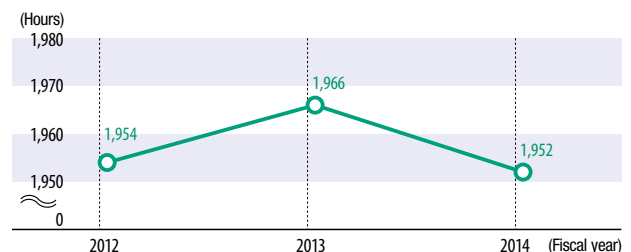
As of March 31, 2015

	FY2012	FY2013	FY2014
Men	0	1	1
Women	8	9	14

Reducing Long Working Hours

Valuing the health of employees and working to facilitate work-life balance, Cosmo Oil aims to optimize working hours by improving productivity. In addition to establishing and adjusting labor and personnel systems to encourage employees to work mornings rather than nights, the number of hours worked is factored into personnel assessments. In fiscal 2015, the Company increased the number of paid holidays that are booked at the start of the business year. This initiative encourages more employees to take their paid holidays and helps the Company to improve the rate of paid holidays taken by employees, which currently stands at about 80%.

Total Annual Work Hours



Average Monthly Overtime Hours and Average Annual Paid Holidays Taken

	FY2012	FY2013	FY2014
Average monthly overtime hours	22.5	23.2	22.3
Percentage of paid holidays taken	83.0%	74.0%	85.0%

Notes:

1. Employees receive 15 days of paid holidays in their first year, then 17 days after one year of employment, 19 days after two consecutive years, and 21 days after three consecutive years.
2. Data for Cosmo Oil employees and dispatched employees, excluding shift workers.

Highlights 2014 Activity Report on Cosmos Project

The Cosmos Project, launched in January 2014 by 11 women from various departments to study ways of encouraging women in the workplace, conducted a survey, did many interviews and held more than 100 hours of discussion, before compiling the results in a final report in July 2014. Presented below are some of the 40 recommendations for encouraging women in the workplace which have already been acted on by the Group. Moving forward, the Diversity Promotion Department will implement initiatives to secure an environment in which all employees can thrive and actively contribute.



Overview of Cosmos Project Activities

General Meetings	41 (including subcommittees)
Hours of Discussion	109.5 hours
Survey of Female Employees	263 responses received (out of 284 persons surveyed, 92.6% response rate)
Interviews with Female Employees	Approx. 100 women interviewed from 19 business locations (not including the many male employees and managers interviewed)

Cosmos Project Final Report and Action Taken by the Group (Excerpt)

Recommended Action	Detailed Request	Action Taken
Encourage female employees to have long careers at the company		
Be a company that is appealing as a place to have a long career		13 actions
Actively support women in the workplace		
Management training for line managers	Designed to foster line managers who can support the career development of their staff and work-life balance, and perform efficiency-based assessments. The company must have managers who can precisely outline what employees need to do.	Implemented assessor training for all line managers and diversity training led by an outside instructor. Training will be implemented for all line managers once a year.
Recognize that diverse working conditions can contribute to the company		
Shift to an assessment system that emphasizes efficiency	Long working hours are the greatest issue in workplaces where some employees have reduced work hours due to child/family care. Consequently, initiatives to encourage better productivity should be taken.	Targets set for overall working hours to encourage the reduction of overtime and work-life balance. Fiscal 2015 focuses on initiatives to improve productivity and optimize working hours, moving away from traditional working conditions.
Adopt a system to help employees continue working without having to resign		14 actions
Enable diverse working conditions among employees		
Increase days eligible for employees with child/family care requirements to work from home	Secure greater diversity of working conditions by increasing work from home	Increased days eligible for working from home, from one day to two days per week
Provide opportunities for employees to work again, if they chose to resign		2 actions
Adopt a system to rehire employees who had to resign due to a life event		
Creation of systems for rehiring full-time employees	Take advantage of the benefit to both the company and the employee by enabling employees who chose to resign due to a life event to return to work	Created the following systems to welcome back employees who were unable to keep working due to child/family care or a spouse's job transfer: <ul style="list-style-type: none"> • Re-employment of those who resigned due to child/family care or a spouse's job transfer • Extended leave of absence due to spouse's job transfer
Enable female employees to fully perform their skills		
Clearly identify the skills that should be performed, and provide opportunities to demonstrate those skills		5 actions
Set clear standards for determining the value of results, and provide fair evaluations and pay		2 actions
Ensure that women are a permanent part of the workplace		4 actions
Increase the number of female employees		
Consistent hiring of female employees	Women account for about 10% of Cosmo Oil employees. Increasing the number of female employees will result in more role models, expanding women's presence in the workplace.	Set employment rate target of at least 30% female employees
Externally announce the ratio of female managers (target figure)	Cosmo Oil must meet its social responsibility to increase the ratio of female managers.	Set target of roughly quadrupling the number of female managers by 2020, compared with fiscal 2014 levels