



Japan Petroleum Exploration Co., Ltd.

Integrated Report 2025

For the Year Ended March 31, 2025



Essential Energies for Essential Needs

Corporate Vision

Contribute to society
through stable supply of energy and
address social issues towards
Sustainable Development Goals.

- Explore, develop, produce and distribute crude oil and natural gas at home and abroad.
- Further strengthen the natural gas supply chain, built on our domestic infrastructures, by combining the electric power supply business.
- Contribute to resolving energy and climate change related challenges towards a sustainable society through developing and commercializing new technologies, drawing on our expertise.
- Achieve sustainable growth and maximize corporate value, while placing top priority on maintaining trust with all stakeholders.

The JAPEX Group Code of Ethics and Conduct

To realize our Corporate Vision and sustain as a company trusted by society, we hereby establish the JAPEX Group Code of Ethics and Conduct, which provides corporate ethics standards and principles of action to be adhered by all officers and employees.

1. Comply with applicable laws and regulations, and respect international code of conduct.
2. Place top priority on HSE (health, safety, and environment).
3. Strive to maintain trust with stakeholders and to contribute to society.
4. Respect the human rights of all people.
5. Make efforts to create a good working environment.
6. Engage in fair and free competition and maintain appropriate trading practices.
7. Maintain sound and transparent relationships with politicians, political parties, and government officials/agencies.
8. Stand firmly and exclude relationship to any anti-social forces.
9. Pay careful attention to managing and protecting confidential information and personal/clients' data.

FY2024 Performance Highlights



Net sales

¥389.0 billion

Operating profit

¥62.0 billion

Business profit*1

¥61.8 billion

ROE

15.7%

Business profit composition ratio
(E&P*2 : non-E&P)

7 : 3

Growth investments

¥161.4 billion



Global business operations

Number of countries where the business operates

7 countries



Personnel who support value creation

Number of employees

1,653 persons

Production volume of oil and natural gas (Net)



41.7 thousand boe/d*3

Japan 12.2 thousand boe/d
Overseas 29.5 thousand boe/d

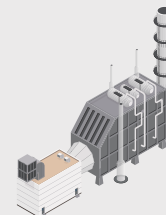


Natural gas pipeline network in Japan

Total length

Over 800 km

Power plant



9 locations

Total output (Gross)

1.39 million kW

*1 Operating profit and equity method profit (Including profits to be distributed under limited liability investment partnership and silent partnership agreements).

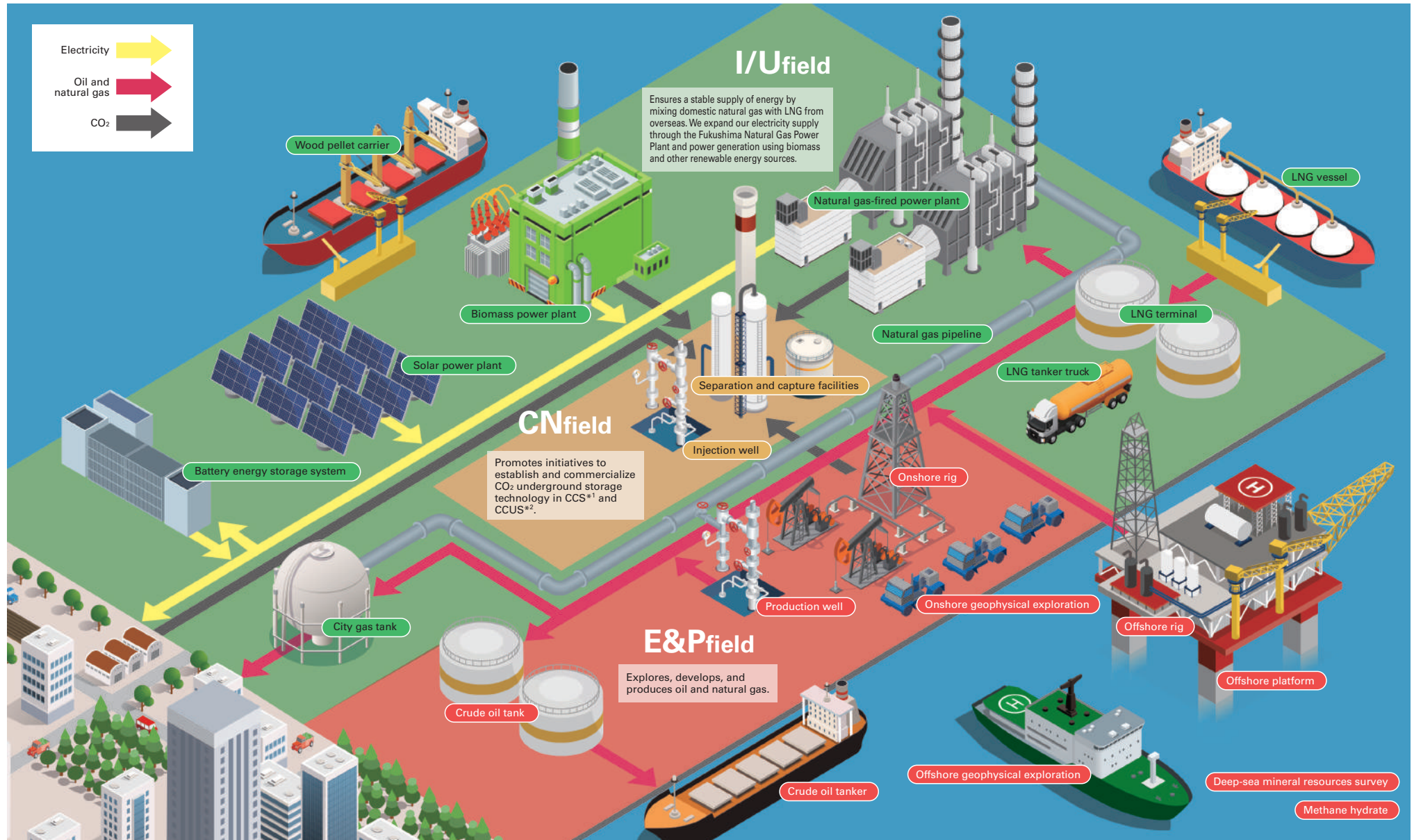
*2 Exploration & Production: Businesses that engage in the exploration, development, and production of oil and gas.

*3 Barrels of oil equivalent per day.

What We Do

As indicated in JAPEx2050: Toward a Carbon-Neutral Society, we have positioned the three fields—“E&P,” “Infrastructure/Utility (I/U),” and “Carbon Neutral (CN)” —as key areas as a comprehensive energy company that contributes to net-zero greenhouse gas (GHG) emissions in 2050.

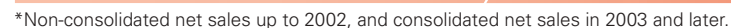
 Please visit the following link to watch our corporate profile video.
<https://www.youtube.com/watch?v=8lJqlxdst8>



*1 Carbon dioxide capture and storage: Technologies that separate and capture CO₂ from gas emissions of electric power plants, factories, and other facilities, then inject and store the CO₂ in stable underground geological layers.

*2 Carbon dioxide capture, utilization, and storage: Technologies that separate and capture CO₂ from gas emissions of electric power plants, factories, and other facilities, then effectively utilize the CO₂ for enhanced oil recovery and store it deep underground.

With *stable energy supply* as our mission, we aim to grow to a comprehensive energy company, while contributing to the development of the E&P of oil and natural gas in Japan.



JAPEX's Strengths

—Leveraging our homegrown strengths overseas—

JAPEX's three strengths comprise the JAPEX Group's comprehensive technical capabilities related to oil and gas exploration, development, production (E&P), transportation and sales; resilient domestic infrastructure that undergirds the stable supply of natural gas; and trusted relationships with stakeholders that serve as the foundation of our business. By leveraging these strengths, we will contribute to a stable supply of energy, which is our mission, and the realization of a carbon-neutral society.

The JAPEX Group's comprehensive technical capabilities



Technical capabilities in the E&P field

- The JAPEX Group possesses comprehensive technical capabilities that fully cover the entire E&P field. [P.32](#)

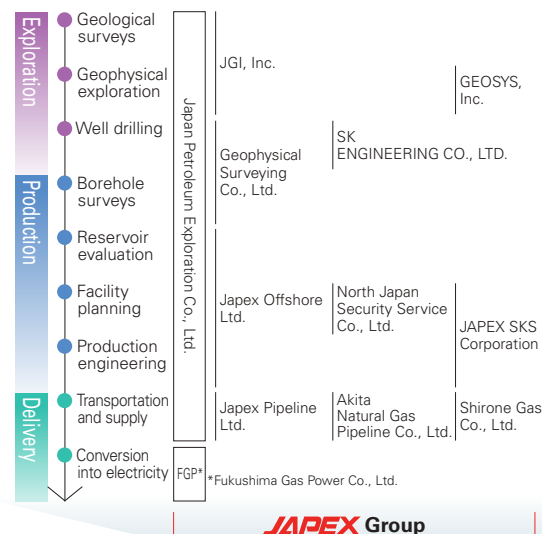
Application of technical capabilities in the CN field centered on CCS

- We are working to create environmentally friendly businesses that contribute to society's decarbonization by leveraging the technologies and expertise cultivated in the E&P field. [P.37](#)

Operator* capabilities in the entire oil and gas supply chain

- We possess operator capabilities that span the Group's entire supply chain, including the E&P field, oil and gas transportation, regasification of imported LNG, and natural gas power generation.

Operator capabilities in the entire oil and gas supply chain



Resilient domestic infrastructure



Diverse gas supply network

- We provide a stable supply of environmentally low-impact LNG and natural gas through diverse means of transportation, such as JAPEX's own natural gas pipeline network, tank trucks, and coastal vessels.

Resilient system for stable operation of infrastructure

- In the Shiunji Gas Field in Niigata Prefecture, we are storing domestic natural gas underground to help meet variable demand and ensure a stable supply of gas for emergencies.
- We are building a system for stable operation of infrastructure without major accidents and injuries. We have been able to ensure safety during crises, such as the Great East Japan Earthquake, achieving quick recovery and restart of supply. [P.35](#)

Relationships of trust with stakeholders



Relationships of trust with local communities that we have valued since our founding

- Building good relationships with local communities is essential for us to stay in our business. Since our founding, we have been operating our business over the years in various regions across Japan, which have been made possible through gaining the understanding and cooperation of all stakeholders, including local governments and residents. We have been able to alleviate concerns over our business by paying close attention to environmental and safety measures and carefully explaining our plans and listening close to all concerned. We have also been winning the confidence of local communities through active involvement in regional activities.

The relationships of trust we have built with local communities form the most important foundation for us to contribute to the realization of a carbon-neutral society through CCS. [P.67](#)

Contributing to a stable supply of energy, which is our mission, and the realization of a carbon-neutral society by leveraging our three strengths

E&P field

We will expand our technical capabilities and experience in exploration, development, and production overseas by leveraging our comprehensive technical capabilities cultivated over many years, aiming to further grow the E&P field.

Major activity in FY2024:
Established Peoria Resources LLC in the U.S. [P.11](#)

Infrastructure/Utility field

In our power business, we will expand renewable energy and effectively leverage synergies with upstream businesses in overseas supply infrastructure, thereby strengthening our earnings base.

Major activity in FY2024:
Participated in the Freeport LNG Project in the U.S. [P.35](#)

Carbon Neutral field

With regard to CCS/CCUS technologies which are essential for achieving carbon neutrality, we have internally developed storage technologies. Through "Advanced CCS Projects" commissioned by JOGMEC, we will examine storage capacity and transportation, aiming for commercialization by 2030 based on the trusted relationships with local communities.

Major activity in FY2024:
JOGMEC "Engineering Design Work for Advanced CCS Projects" [P.38](#)

*A contractual term used in the exploration, development, and production of oil and natural gas via collaboration between multiple partners; the "operator" is a party commissioned to handle and manage actual operations. In the case of collaboration between multiple partners, the operator is commissioned by other parties to handle and manage actual operations.

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Message from the Officer in charge of Human Resources Dept.

Editorial Policy

This report, positioned as an important communication tool with all our stakeholders including investors, is intended to convey in an easy to understand way our initiatives to sustainably enhance our corporate value. In doing so, this report highlights their connection to our financial and non-financial data.

The focus of Integrated Report 2025 is on conveying the thoughts of management and the direction of JAPEX. As well as reflecting on the first year following the change in presidency, the report presents the management's perspectives from a variety of viewpoints. These include a message from the officer in charge of the Finance & Accounting Dept., messages from the officers in charge of DX and human resources strategies, an Outside Directors' roundtable discussion, and messages from the newly appointed Outside Directors.

Reference Guidelines

METI, Guidance for Collaborative Value Creation
The IFRS Foundation, International Integrated Reporting Framework



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Organizations Covered by This Report

This report covers Japan Petroleum Exploration Co., Ltd. (JAPEX), its 17 consolidated subsidiaries, and other Group companies.

Reporting Period

Fiscal 2024 started on April 1, 2024 and ended March 31, 2025.
Some statements include data before March 31, 2024 or after April 1, 2025.

Issuing Date

October 2025 (Next issue: October 2026)

Notes Concerning Future Prospects

This Integrated Report includes past and current facts about JAPEX and its subsidiaries and associates, their plans and prospects as of the issuing date, as well as forecasts based on their management plans and corporate management policies. These forecasts represent management's assumptions or decisions based on information currently available. Readers should be aware that actual results may differ from these forecasts due to changes in the business environment.



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JAPEX's official YouTube channel

www.youtube.com/@mediaandinvestorrelationsj5388

Website for shareholders and investors

<https://www.japex.co.jp/en/ir/>

Sustainability website

<https://www.japex.co.jp/en/sustainability/>

10 Year Financial Data
https://www.japex.co.jp/ir/uploads/JAPEX_10yearFinancialData_e.xlsx
Financial Results
https://www.japex.co.jp/en/ir/library/result/
Securities Report
https://www.japex.co.jp/en/ir/library/report/
Explanatory Materials
https://www.japex.co.jp/en/ir/library/explanatory/
Management Plan
https://www.japex.co.jp/en/company/management/managementplan/
ESG Performance Data
https://www.japex.co.jp/en/sustainability/management/esgdata/

Toward Sustainable Value Creation, Pioneering the Future of Energy

Japan Petroleum Exploration Co., Ltd. (JAPEX) has been evolving its business portfolio and strengthening its management foundation to achieve both a stable energy supply and a sustainable society under the JAPEX Management Plan 2022–2030. This plan marks the first step toward realizing the vision for 2030, and outlines JAPEX's new growth trajectory in the midst of the energy transition period.

Through growth investments and structural transformation initiatives, JAPEX seeks to expand medium-term earnings and enhance capital efficiency, while also contributing to greenhouse gas (GHG) emission reductions in pursuit of carbon neutrality by 2050. Going forward, we will remain committed to our mission of ensuring a stable energy supply and actively engage in new areas such as carbon dioxide capture and storage (CCS), with the aim of sustainably enhancing corporate value.

JAPEX Management Plan 2022–2030 Medium-term targets

- Business profit: ¥30.0 billion
- ROE: 5%
- E&P-to-non-E&P profit composition ratio: 6:4

- Improve profitability
- Build a business foundation

2050

JAPEX 2050

Realize a carbon-neutral society

- Achieve net-zero GHG emissions
- Maintain a stable supply of oil and natural gas

JAPEX Management Plan 2022–2030 Long-term targets

- Business profit: ¥50.0 billion
- ROE: 8%
- E&P-to-non-E&P profit composition ratio: 5:5

GHG emission reduction targets

- Reduce Scope 1+2 emission intensity by 40% compared to FY2019

CCS/CCUS

- Launch CCS/CCUS hub and cluster model business utilizing existing domestic oil and gas fields and others

2026

2030



Balancing the Enhancement of Corporate Value and the Decarbonization of Fossil Fuels

A handwritten signature in black ink, reading "Michiro Yamashita".

YAMASHITA Michiro

Representative Director and President
Chief Executive Officer

Self-Evaluation of My First Year as President

It has already been a year since I became President in April 2024. With the understanding that my mission is to rebuild a businesses portfolio significantly impaired by our 2021 withdrawal from the Canadian business and build the foundation for generating sustainable profits, we worked on improving efficiency of the balance sheet through a combination of investments and divestments.

In November 2024, we executed the sale of strategic shares to secure funds for growth investments. As a result, we reduced our strategic shares, which were at ¥131.9 billion (20% of total assets) as of the end of March 2024, to ¥60.3 billion (8.8% of total assets) by the end of March 2025. In the overseas E&P business, we decided to withdraw the U.K. North Sea business due to the difficulty of maintaining profitability following the introduction of the Energy Profits Levy (EPL) on the oil industry, and secured \$200 million in funds through the sale of our U.K. subsidiary.

Since the beginning of FY 2025, we have reviewed our E&P asset in Indonesia and completed an asset replacement transaction between a production block with limited potential for future expansion for a discovered but undeveloped block with greater potential. As for the Norwegian North Sea, we worked to secure cash flow and improve investment efficiency by shifting from assets focused on exploration blocks to assets with earlier production potential through asset replacement. We also reevaluated the strategic positioning of our consolidated subsidiary engaged in the sale of oil products, etc. in Japan. As a result, we have decided to transfer all of our shares. We will continue to review the need to hold assets with low profitability or limited strategic importance as needed and restructure our balance sheet through sale and replacement of assets.

As for how the market has evaluated these efforts, the price earnings ratio (PER) of our shares remains around 8x, which I recognize as an indication that we have yet to earn trust from the market in the sustainability of our profits. From my own perspective as President, while we have made some progress in improving short-term profitability, we still have a way to go in achieving our goal of building a portfolio toward sustainable growth.

Approach to Building Core Assets

In February 2025, UK-based BP announced a revised business strategy, "Growing shareholder value: a reset bp," signaling a return to its oil and gas business and a significant reduction of investments in the renewable energy field. This announcement of returning to E&P, five years after BP declared in 2020 that it would become a net-zero company, served as a clear reminder of how difficult it is to balance shareholder returns with the transition to a decarbonized society.

In its Management Plan announced in March 2022, JAPEx outlined a basic strategy of investing in E&P business and non-E&P business in a balanced manner to build a profit structure that is less susceptible to market conditions. While our strategic direction remains unchanged, we believe that the Management Plan should not be rigid but flexible, with adjustments made in response to changes in the business environment. Especially under current conditions, where investment opportunities in the renewable energy sector are limited and reasonable profits have become more difficult to secure, it is essential to avoid overinvestment and selectively invest in projects that are expected to deliver returns commensurate with the associated risks.

From this perspective, we will not stick to the Management Plan's target of achieving a 5:5 profit composition ratio between the E&P business and non-E&P businesses. Instead, we will focus our near-term growth investments on the E&P business, aiming to meet our cost of capital and build core assets that generate sustainable profits. Alongside this, we are working to establish a new earnings pillar for the 2030s in our carbon neutral (CN) business, specifically by delivering carbon dioxide capture and storage (CCS) and carbon dioxide capture, utilization, and storage (CCUS) projects.

Decarbonization of Fossil Fuels

The Seventh Strategic Energy Plan (the "Energy Plan"), approved by the Cabinet in February 2025, presents a realistic transition path toward achieving a carbon-neutral society, based on the concept of "simultaneously achieving energy security, economic growth, and decarbonization." From the perspective of S+3E (Safety, Energy Security, Economic Efficiency, and Environment), which is the basic principle of Japan's energy policy, the role of fossil fuels, especially natural gas, and the importance of a stable supply have once again come into focus.

This Energy Plan presents five scenarios. The first four (scenarios 1 to 4) assume progress in innovative technologies such as for renewable energy, hydrogen and ammonia, and CCS, while the fifth (scenario 5) assumes no significant progress in innovative technologies and instead relies on existing technologies. In scenarios 1 to 4, thermal power generation is expected to maintain a 30% to 35% share of the power generation mix in 2040. However, this should not be taken to mean that the role of fossil fuels will remain unchanged in 2040. A key point to highlight is that the emission factor of thermal power generation in 2040 is expected to decrease significantly, to a range of 0.08 to 0.20kg of CO₂/kWh. Considering that the current emission factor of 1500°C-class more advanced combined cycle (MACC) is approximately 0.36kg of CO₂/kWh, the emission factor assumed in the Energy Plan is remarkably low. This suggests that thermal power generation in the future will be transformed into decarbonized thermal power, based on the use of technologies such as CCS and ammonia co-firing.

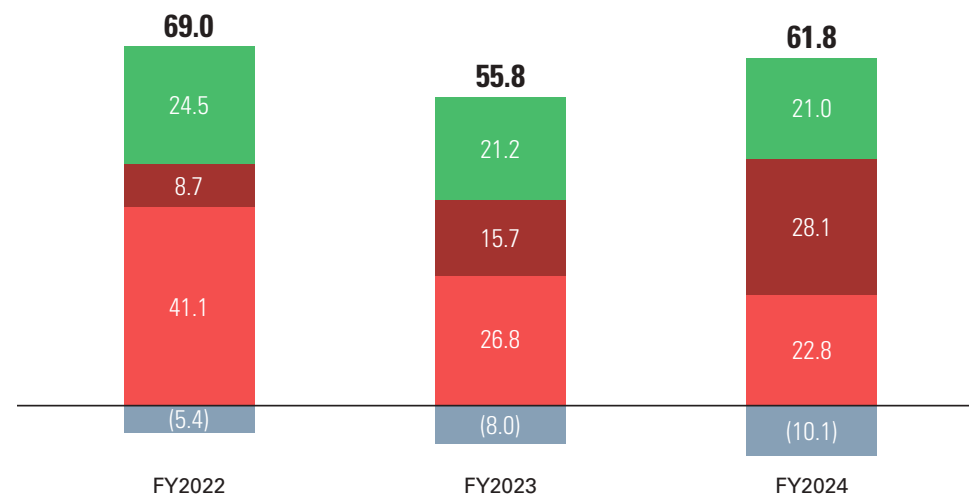
We have long claimed that the decarbonization of fossil fuels, which means applying technologies such as CCS to the use of fossil fuels that are cost-competitive and support a stable supply, is the most practical solution for achieving a carbon-neutral society. The future vision outlined in the Energy Plan is none other than the decarbonization of fossil fuels. In May 2024, Act on Carbon Dioxide Storage Business (CCS Business Act) was enacted, marking the official start of CCS deployment in Japan. As a core technology supporting a wide range of business areas, CCS technology is essential to decarbonizing thermal power generation, disposing of CO₂ captured from hard-to-abate sectors (e.g., steel and cement) and CO₂ generated during the production of blue hydrogen and blue ammonia, and advancing the development of high-concentration CO₂ gas fields in regions such as Southeast Asia. This is precisely why we are committed to the commercialization of CCS.

Progress on the Management Plan

It has been three years since we announced the JAPEX Management Plan 2022–2030. Against our business profit targets set in the Management Plan (¥30.0 billion for FY 2026 and ¥50.0 billion for FY 2030), we achieved our goals with business profit of ¥61.8 billion in FY 2024. Looking at the trends in business profit of each business field, the overseas E&P business expanded, offsetting the decline in the domestic E&P business, while profits from the Infrastructure/Utility (I/U) business have contributed steadily. While recognizing challenges such as the building of core assets in the E&P business and commercialization in the Carbon Neutral (CN) field, we remain committed to achieving the targets set in the Management Plan.

Breakdown and trends of business profit*1

■ Domestic E&P ■ Overseas E&P ■ I/U ■ Other*2
(Billions of yen)



*1 The sum of operating profit and share of profit of entities accounted for using equity method, including distribution profits under limited partnership and silent partnership agreements.

*2 Business profit excluding the E&P and I/U fields (CN field, contract service, oil products, commodities, etc.) less head office administrative expenses.

Summary of FY 2024 for Each Business Field and Future Policy

E&P Business

In the domestic E&P business, we are working to maintain profitability by making efficient, cost-effective investments to slow the decline in reserves and production, while also reducing costs and improving operational efficiency through DX. Meanwhile, establishing an earning base in the overseas E&P business, which has significant growth potential, is the top priority that can determine the success of the Management Plan.

In FY 2024, key initiatives in the overseas E&P business included expanding investment through the additional acquisition of well interests for tight oil* development in the U.S. At the same time, as mentioned earlier, we made the decision to withdraw from the U.K. North Sea business due to the difficulty of maintaining profitability. As we move through FY 2025, we are continuing to take initiatives to improve asset efficiency, including the execution of asset replacements in Indonesia and Norway.

In the U.S., we have executed over \$1.0 billion in investments over the three years since 2022 through a type of investment under which we acquire well interests and share development costs. This approach has significantly contributed to the short-term recovery of our overseas business profit. However, to increase the sustainability of profits, it is essential to build a structure where we hold our own blocks and work as the operator. To acquire operator assets in the U.S., we engaged two U.S. individuals as partners, each with extensive investment experience in the tight oil sector, and established a new company, Peoria Resources LLC. Going forward, through the acquisition and management of the operator business by Peoria Resources LLC, we will continue to build expertise to optimize the value chain from development through production to sales, and to maximize business value.

We also worked on building an operating framework for the E&P business in Norway. In July 2024, we made the local company in which we took a stake in 2023 into a wholly owned subsidiary and changed its name to JAPEX Norge AS. While maintaining the experienced local management team, including the top executive, we will fully leverage the network they have built to acquire assets and expand the portfolio.

I/U Business

I/U business is a stable source of cash flow and plays a critical role in supporting our overall earnings. Within the I/U business, our domestic gas supply business continues to expand sales volume through solution-based sales that uncover new demand.

In the power business, the thermal power generation business at the Fukushima Natural Gas Power Plant is performing steadily. While securing stable revenue through long-term power sales agreements, we are also working to increase profitability by operating timely additional power generation leveraging the price difference between LNG prices and spot electricity prices on the Japan Electric Power Exchange (JEPX). In the renewable energy field, biomass power plants have begun commercial operations in Ehime, Yamaguchi, and Aichi prefectures. We import biomass fuel from Southeast Asia and supply it to each plant. In procuring this biomass fuel, we mitigate price volatility risks by fixing purchase prices through long-dated foreign exchange forward contracts and other comparable instruments. In the solar power generation business, we are promoting business development based on Power Purchase Agreement (PPA) with clients.

In FY 2024, we also entered the grid-scale battery business. We are starting with small-scale battery energy storage systems to gain operational expertise, with the aim of full-scale deployment of the storage battery business in the future. Also, we are enhancing the value of the power business from multiple dimensions, including kWh value (amount of electricity), kW value (supply capability), ΔkW value (adjustment capability), and environmental value.

In the overseas I/U business, we have entered the Freeport LNG terminal project in Texas, U.S.A., where we are engaged in the liquefaction and export of natural gas. While the I/U business has been mainly focused on Japan to date, securing long-term, stable cash flow overseas is highly significant for us. In this project, we aim to further increase our earnings by expanding liquefaction facilities in future phases.

Through these efforts, we are working toward achieving our Management Plan target of ¥27.0 billion in business profit for the I/U business by FY 2030.

* Tight oil is crude oil trapped within geological layers with low porosity and permeability. Although the crude oil itself can be classified as light to medium oil, tight oil is developed by means of fracturing with horizontal wells due to the poor fluidity in the reservoir.

■ CN Business

We make a classification of our CCS/CCUS projects, both in Japan and overseas, into three categories according to their maturity level.

The first category is “systematically advanced countries,” which is represented primarily by the U.S. The U.S. has a tax credit system (45Q) based on the storage capacity of CO₂. Using this system, we participate in a project in the Dry Piney area of Wyoming that combines natural gas and helium production with CCS, and we are continuing to conduct feasibility studies with the goal of Final Investment Decision (FID)* by FY 2025.

The second category is Japan, where public and private sectors are working together to begin storage operations by FY 2030. The Tomakomai Area CCS and Higashi-Niigata Area CCS projects, proposed by a consortium including JAPEX, have been selected by JOGMEC as part of its advanced CCS projects. In particular, the Tomakomai area has been designated as Japan's first specified area under the CCS Business Act, and preparations are underway to begin drilling of exploration wells ahead of other regions.

The third category is “countries with proposed institutional frameworks” in Southeast Asia, where we have begun on building the enabling framework, including the development of the legal structure for implementing CCS/CCUS. In Malaysia, the Offshore Sarawak CCS planned by a consortium including JAPEX has been selected as a JOGMEC project. In addition, we are working on a variety of other projects, such as the CCUS-EOR (Enhanced Oil Recovery using CO₂ injection) project at the Sukowati oil field in Indonesia, and a joint study to evaluate the feasibility of BECCS (negative emission technology that combines biomass power generation with CCS) in South Sumatra.

In order for these CCS/CCUS projects to become profitable, it is essential to establish economic frameworks, including government support and an emissions trading system. While there are still many challenges to overcome, we remain committed to driving the social implementation of CCS/CCUS in Japan as the top runner.

Materiality

We have clarified “promotion of human resources (HR) development and diversity,” based on the perspective that HR is an origin of value creation and essential for the realization of our management plan, and digital transformation (DX), based on the perspective that the use of data and digital technology is indispensable to enhancing our corporate value, as material issues for strengthening our management foundation.

Regarding the “promotion of HR development and diversity,” we introduced a new human resources system in July 2024, eliminating seniority-based elements from our salary structure and updating it based on the scope of individual responsibilities. The aim of this new system is to encourage employees to take on challenges and achieve self-growth. We expect this system to help transform employee mindsets and accelerate our growth. We are also working on improving our learning environment. In addition to expanding JAPEX UNIVERSITY, which primarily features video content designed to support an environment where employees can learn and grow independently, we have upgraded our e-learning system and started new programs, including sending our employees to external business schools where they can develop business skills effectively through interaction with outside talent.

Regarding DX, our goal for now is to “be ready to transform our business through digital technologies (DX Ready)” by the end of FY 2025. To achieve this, we launched a training program for advanced digital talent, with approximately 180 employees completing the program by the end of FY 2024. We have also conducted training sessions for general managers or equivalents focused on planning business and organizational strategies leveraging digital tools. In addition, we are working to achieve greater efficiency in operations and accelerate decision-making by consolidating data scattered across systems in each department into an integrated database, which we call the “Central Kitchen,” allowing employees to focus on high-value-added work. Our DX vision is to establish new business models through a new operating framework powered by digital technologies.

* Final Investment Decision: In the context of oil and gas projects, FID often refers to the final decision regarding investment before entering the development phase (i.e., facility design, procurement, and construction). Prior to FID, relevant parties must meet all requirements, such as formulating robust plans for development, marketing, and fundraising; signing necessary contracts; obtaining approval from authorities; and securing sufficient human resources.

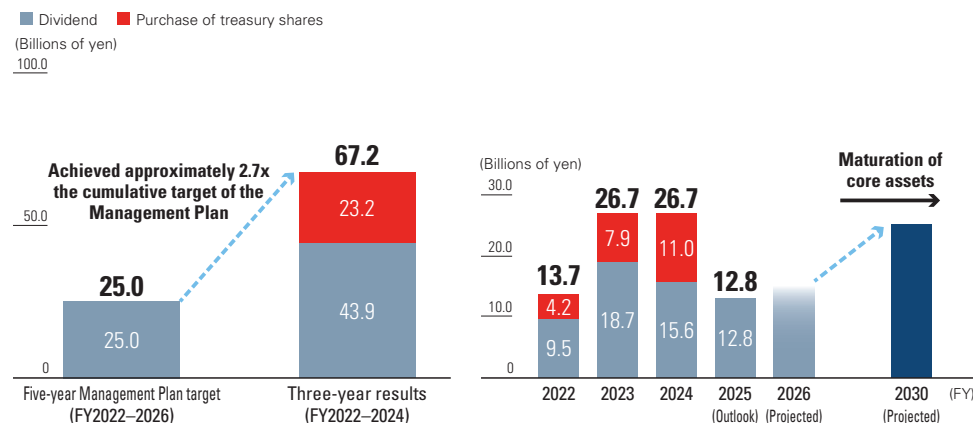
Shareholder Returns

Through these various initiatives, we aim to enhance our corporate value and return the achievements to our shareholders. Under the Management Plan, we had originally planned total shareholder returns of ¥25.0 billion over the five-year period from FY 2022 to 2026. However, actual shareholder returns for the three years from FY 2022 to 2024 have reached ¥67.2 billion through a combination of dividends and purchase of treasury shares.

Regarding our dividend policy, we have been paying dividends in line with business results for each fiscal year with a target consolidated payout ratio of 30%. However, from FY 2025, we have decided to raise the minimum annual dividend per share from ¥10 to ¥40 to stabilize dividend payments.

For the time being, we will maintain our current dividend policy to secure investment funds for building core assets. However, once we have made progress in building core assets and are able to sustainably secure a certain level of profit, we intend to consider our approach to shareholder returns, taking into account our financial position and business environment.

Progress and outlook for shareholder returns



To Our Stakeholders

Our most urgent challenge to enhance our corporate value creation is to accumulate business assets that will serve as an earnings base over the medium- to long-term. While being aware of capital costs, we are actively working to identify new projects that maintain the right balance between acceptable risks and returns, and expand our investments mainly in the overseas E&P business, as well as in the I/U and CN businesses.

In addition to our existing social mission of achieving stable energy supply, we are committed to fulfilling a new social mission toward achieving a carbon-neutral society through the decarbonization of fossil fuels.

To our stakeholders, we kindly ask for your continued support for our business. We remain committed to meeting your expectations as we strive to enhance our corporate value through these strategic efforts.



By making the most of various resources possessed by the JAPEX Group, we will fulfill our corporate social responsibility (CSR) to achieve both a stable energy supply and a carbon-neutral society while aiming for sustainable enhancement of our corporate value.

Realizing JAPEX2050: P.15

Toward a Carbon-Neutral Society

Enhancing Corporate Value

Awareness of the External Environment

- Increasing risks associated with climate change and rising demand for low-environmental-impact energy
- Heightened geopolitical risks
- Growing importance of energy security
- Volatility in crude oil and natural gas prices and exchange rates
- Risks related to business and development investment
- Declining and aging population with a low birth rate in Japan
- Advancement of digital technology

Input

Financial capital P.69

- Shareholders' equity: ¥458.7 billion
- Interest-bearing debt: ¥14.9 billion
- Equity ratio: 77.4%

Production capital P.30 P.33

- E&P business locations (Japan: 10 fields; Overseas: 6 countries)
- Domestic natural gas supply network
- Over 800 km of high-pressure gas pipelines
- Two LNG receiving terminals for ocean-going vessels
- One overseas LNG supply facility
- Nine power plants (eight renewable)
- One battery energy storage system

Intellectual capital P.30 P.33

- Operation track record focused on the E&P Business since our founding in 1955
- Operation track record in the Infrastructure/Utility Business, supporting a stable energy supply
- Comprehensive technical capabilities covering all stages from oil and natural gas exploration, development, and production (E&P) to transportation and sales
- Extensive knowledge of subsurface areas (geology, drilling technology, etc.)

Human capital P.26 P.65

- Increase in the number of new graduates and mid-career hires
- Support for autonomous career development
- Enhancement of reskilling and upskilling programs
- Increase in the educational budget

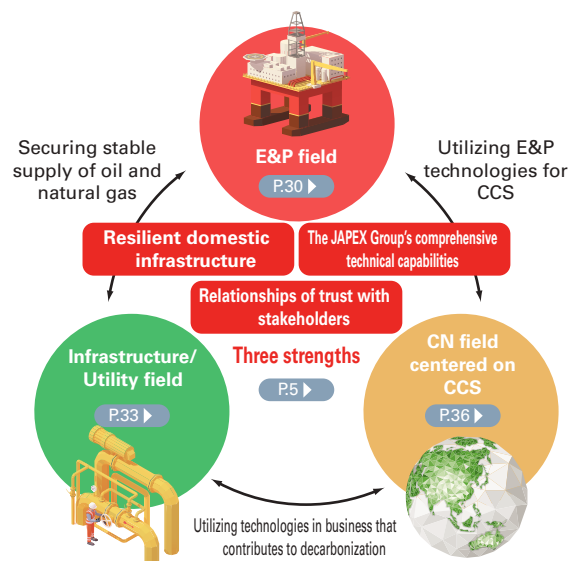
Social and relationship capital P.67

- Relationships of trust with operating regions and clients
- Partnership with oil-producing countries

Natural capital P.30 P.38

- Proved reserves: 115 million boe
- Energy consumption: 2,915 TJ
- Water intake: 46,960 thousand kL
- Domestic oil and gas fields that can be used for CCS/CCUS and adjusting supply and demand

Business Model



JAPEX Management Plan 2022-2030 P.18

Materiality P.18 P.40

- Stable energy supply
- Establishment of Carbon Neutral (CN) business
- Promotion of Human Resources (HR) development and diversity
- Digital transformation

Core CSR Themes "SHINE" P.40

Corporate Vision P.1

Output

JAPEX Management Plan 2022-2030 Medium-term Targets

Business profit*1	
Medium-term targets by FY2026	FY2024 results
¥30.0 billion	¥61.8 billion
E&P field	
¥23.0 billion	¥50.9 billion
I/U field	
¥12.0 billion	¥21.0 billion
CN field	
¥1.0 billion	¥1.6 billion
ROE	
Approximately 5%	15.7%
Profit composition ratio (E&P-to-non-E&P)	
6:4	7:3

(FY2024 results)

Financial data P.69

- Consolidated profit: ¥81.1 billion
- EBITDA: ¥125.3 billion
- Cash flows from operating activities: ¥130.7 billion
- Shareholder returns: ¥26.7 billion
- Production volume: 41 thousand boe/day
- Domestic natural gas and LNG sales volume: 1.12 million tons
- Electricity sales volume: 3.3 billion kWh

Non-financial data P.70

- GHG emissions
- Scope 1 + 2: 213 thousand ton-CO₂
- Emission intensity*2: 3.11 ton-CO₂/TJ (reduced by 22% compared with FY2019)
- Lost Time Injury Frequency*3 (LTIF): 0.29
- Percentage of female managers: 6.4%
- Percentage of employees taking childcare leave: Male 100%, Female 100%
- Participants in advanced digital training: Approximately 180 persons
- "KENKO Investment for Health Stock Selection": Selected
- PRIDE Index: Certified
- Number of Compliance violations: 0

Outcomes

Economic value

- ROE to 8% or more in FY2030
- Set a basic policy to target a consolidated dividend payout ratio of 30%

Social and environmental value

- Maintain a stable energy supply
- Contribute to the realization of a carbon-neutral society through technology like CCS/ CCUS
- Reduce GHG emission intensity from JAPEX operations

Three SDGs we focus our efforts on



*1 The sum of operating profit and share of profit of entities accounted for using equity method (including profits to be distributed under limited partnership and silent partnership agreements).

*2 CO₂ emissions (ton-CO₂) per 1 terajoule (TJ) of energy supplied by JAPEX.

*3 Calculated as the number of lost time injuries per 1,000,000 work hours.

Capital Improvement

JAPEx 2050

Toward a Carbon-Neutral Society

Background of JAPEx2050 Formulation

Under the Long-term Vision 2030 formulated in 2018, JAPEx has targeted “Growth to a comprehensive energy company utilizing oil and gas E&P and its supply basis.” We have been working to transform into a business structure that enables sustainable growth even when oil prices are low and that can respond to the changing needs of society.

Meanwhile, since the formulation of the long-term vision, the global trend toward decarbonization has been gaining steam in response to the Paris Agreement. In line with this trend, in October 2020, the Japanese government announced its aim to realize carbon neutrality by 2050. It made us aware of the need to evolve our current initiatives, and thus we updated our medium- to long-term risk recognition.

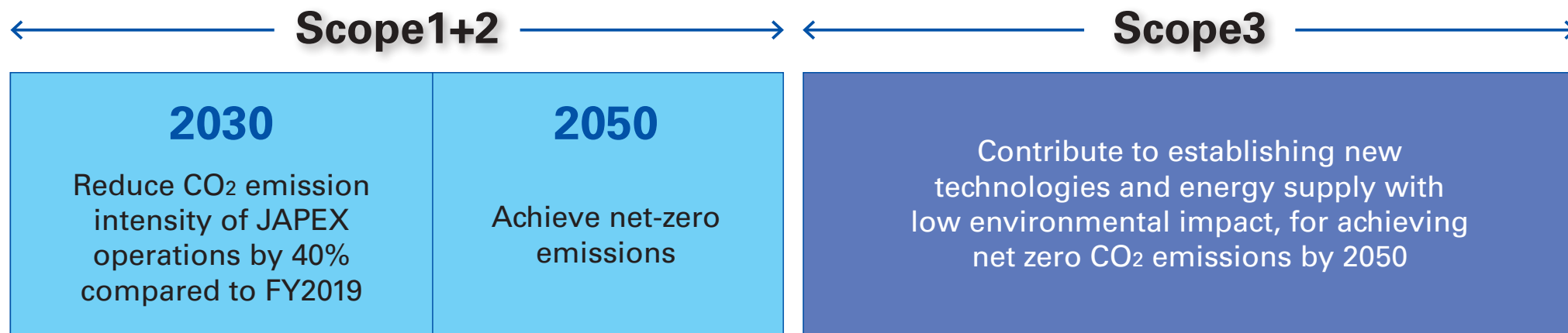
As a result, we concluded that, in order to appropriately address identified risks and achieve growth by taking advantage of opportunities, we need to clarify our responsibilities in the carbon-neutral society in 2050 as well as the business fields to focus on. Accordingly, we have formulated “JAPEx2050: Toward a Carbon-Neutral Society” and announced it in May 2021. JAPEx2050 comprises GHG emission reduction targets and focused efforts to realize a carbon-neutral society.

Recognition of Medium- to Long-term Risks and Policies for Addressing Such Risks

Business fields	Medium- to long-term risks recognized	Risk mitigation policies
Company-wide business portfolio	Fluctuations in crude oil and natural gas prices	Shift to a business portfolio that is resilient against low crude oil prices (by making the renewable energy business profitable; creating new businesses, such as CCS/CCUS; and expanding such businesses)
	Rapid transition to a decarbonized society	Pursue a low-carbon and decarbonized business portfolio (to reduce GHG emissions in line with JAPEx's target of achieving net-zero emissions in 2050)
E&P field	Declining volume of oil and gas reserves	- Develop remaining production potential in Japan - Acquire new interests overseas
	Rapid transition to a decarbonized society	- Shift the focus of the E&P field to natural gas - Introduce CCS/CCUS in participating projects
Infrastructure/Utility field	Decline in domestic natural gas production	Procure LNG with competitiveness
	Rapid transition to a decarbonized society	- Expand the renewable energy business - Decarbonize power generation and gas businesses (by introducing carbon-offset LNG*) - Horizontally deploy various supply methods for natural gas and LNG targeting overseas markets
Carbon Neutral field	Resolution of issues related to CCS/CCUS operations to achieve the early commercialization of these businesses in Japan	Push ahead with both technological and marketing endeavors, including securing CO₂ storage capacities, promoting cost reductions, and taking initiative in rule making

*Liquefied natural gas that is deemed to generate zero CO₂ in use on a global scale by offsetting GHGs generated in the process, from extraction to combustion of natural gas, with CO₂ credits created through environmental conservation projects (carbon offset).

GHG Emission Reduction Targets



Scope 1+2*1

We will reduce GHG emission intensity*2 of JAPEx operations by 40% in fiscal 2030 compared to fiscal 2019*3 and achieve net zero GHG emissions from JAPEx's operating locations by 2050.

To achieve these targets, we have set the following measures as priority action items.

Scope 1 emissions reduction measure: Consider injection of CO₂ emitted from domestic oil and gas fields

Scope 2 emissions reduction measure: Gradually shift to zero-emission electricity

To steadily achieve our GHG reduction targets, we set targets for every fiscal year in the CSR action plans and manage their progress. [P.43](#) ➡ [CSR Action Plan](#)

*1 Based on the GHG Protocol's operational control approach.

*2 CO₂ emissions (ton-CO₂) per 1 terajoule (TJ) of energy supplied by JAPEx.

*3 FY2019 intensity: 3.97 ton-CO₂ / TJ.

Scope 3

JAPEx's total Scope 1, 2, and 3 GHG emissions amounted to 10,308 thousand tons of CO₂ in fiscal 2024, and Scope 3 emissions accounted for a high percentage at 98%. Within Scope 3, emissions from category 11 (use of sold products) reached 94%, making their reduction an important issue for JAPEx. We aim to reduce Scope 3 emissions by promoting the efforts, focused on realizing a carbon-neutral society, which are explained on the following pages.

Focused Efforts to Realize a Carbon-Neutral Society

1. Turn Carbon Neutral into a profitable business based on CO₂ injection and storage technology

- Aim to achieve the early implementation and commercialization of CCS/CCUS as a pioneer in Japan
- Strive to collaborate and enter into carbon-neutral business areas, where synergies with CCS and CCUS can be expected (focusing on BECCS*¹ and natural gas-fired power plants with CCS, entering into business area of carbon-recycling, etc.)

2. Expand participation in renewable energy projects

- Aim to increase renewable energy projects in which JAPEX participates while utilizing knowledge and experience in conventional businesses

3. Stable supply of oil and natural gas

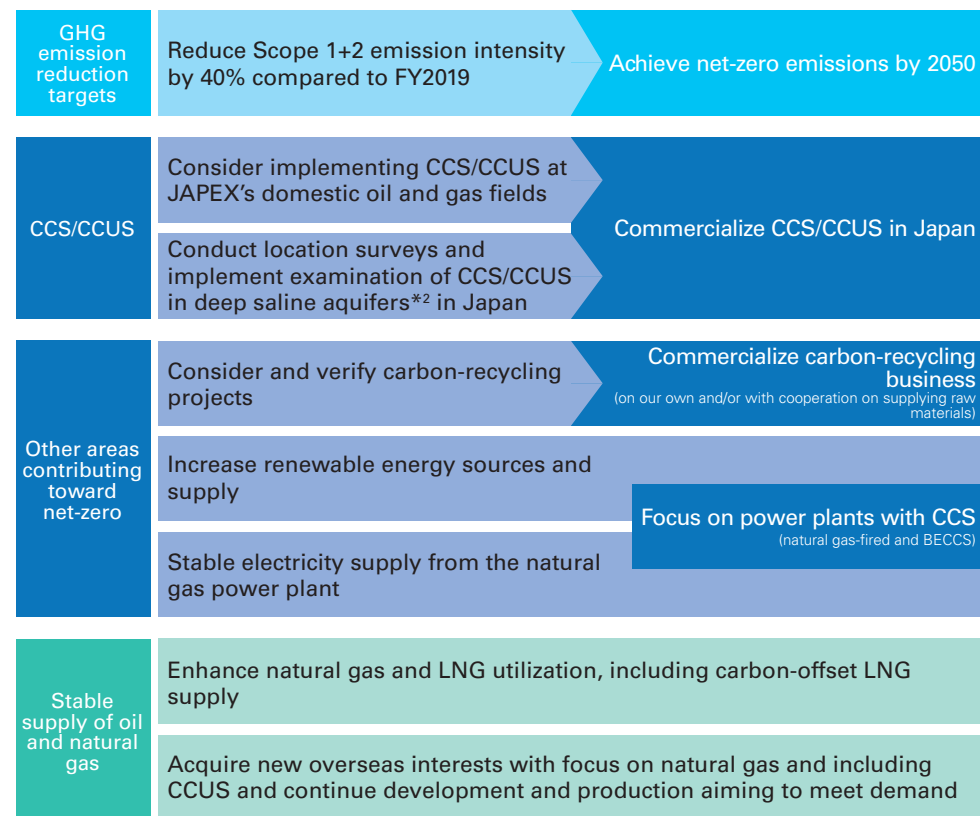
- Recognizing that oil and natural gas will remain as one of the major energy sources worldwide, continue to meet the demand for them
- To realize a carbon-neutral society, promote the decarbonization of fossil fuels by combining with CCS/CCUS and other decarbonization technologies

For more details on JAPEX2050, please visit [our corporate website](#).

Also, for our specific initiatives to be taken by 2030, please refer to the JAPEX Management Plan 2022–2030, which is explained on the following pages.

*1 Bioenergy with carbon capture and storage: A term coined to refer to a technology that links CCS and biomass energy. When biomass is burned for energy use, CO₂ is emitted, but it is not counted as CO₂ emissions because the amount of CO₂ emitted during the entire life cycle of biomass remains the same. If the CO₂ from biomass combustion is captured, transported, and stored underground, there will be a net reduction in atmospheric CO₂.

JAPEX2050 Roadmap



2021 2030 2040 2050

*2 A sandstone layer deep underground that includes ancient seawater (saltwater) which is not suitable for drinking. Its geographical distribution is broader compared to oil and natural gas reservoirs, and CO₂ storage capacity is anticipated.

Based on its basic policy of “improving profitability and building a business foundation for 2030 and beyond,” JAPEX Management Plan 2022–2030 (the “Management Plan”) aims to achieve a reasonable profit level considering capital costs and enhance shareholder returns by strengthening efforts in three business fields of “E&P,” “Infrastructure/Utility (I/U),” and “Carbon Neutral (CN).”

Achieving Every Target Under JAPEX2050

Achieve a Reasonable Profit Level Considering Capital Costs and Enhance Shareholder Returns

JAPEX Management Plan 2022–2030

Basic policy: Improve profitability and build a business foundation for 2030 and beyond

Business Foundation



E&P field !

Contribute to early expansion of profit scale and respond to low-carbonization

Continue to invest in acquisition of new interests and promote low-carbon operations



Infrastructure/Utility field

Transform business structure to withstand market changes such as oil price volatility

Expand the profit scale of renewable energy and other businesses



Carbon Neutral field !

Contribute to smooth transition to a carbon-neutral society in 2050

Launch CCS/CCUS hub and cluster* model business (an advanced CCS project) utilizing existing oil and gas fields and others

Efforts to Strengthen Management Foundation

Enhancement of human capital management !

Secure and develop human resources for DX

Organizational changes

Promote DX based on business challenges

Measures to promote DX (Digital Transformation) !

Management Goals

Quantitative targets: business profit, ROE, profit composition

	Medium-term targets by FY2026	Long-term targets by FY2030
Business profit (Operating profit + Share of profit of entities accounted for using equity method)*1	¥30.0 billion	¥50.0 billion
Breakdown E&P field	¥23.0 billion	¥27.0 billion
I/U field	¥12.0 billion	¥27.0 billion
CN field	¥1.0 billion	¥2.0 billion
Other*2	–¥6.0 billion	–¥6.0 billion
ROE	Approx. 5%	Approx. 8%
Profit composition ratio (E&P-to-non-E&P*3)	6:4	5:5
Assumed crude oil price (JCC*4: USD/bbl)	50.00	50.00
Exchange rate assumption (JPY/USD)	110.00	110.00

- *1 Including profits to be distributed under limited partnership and silent partnership agreements.
 *2 Other revenue (contract service and oil products sales, etc.) less head office administrative expenses.
 *3 I/U and CN fields.
 *4 Japan Crude Cocktail: The average price of crude oil imported by Japan and determined in reference to cost, insurance and freight (CIF).

Carbon neutral related targets

- CCS/CCUS hub and cluster model business (an advanced CCS project) utilizing existing domestic oil and gas fields and others
 Make a meaningful progress by 2026, aiming to launch as a model business by FY 2030
- Reduction of GHG emission intensity of JAPEX operations by 40% (compared to FY 2019)
 Begin CO₂ injection pilot trial at domestic oil and gas fields by 2026, aiming to achieve the target in FY 2030



We have identified material issues that link the core CSR themes “SHINE” and the JAPEX Management Plan 2022–2030 (P.40 ➡). For more information on initiatives related to material issues for strengthening the management foundation, please refer to these pages.

- ➡ Strengthen Human Capital Management (P.26 ➡)
- ➡ Digital Transformation (DX) (P.24 ➡)

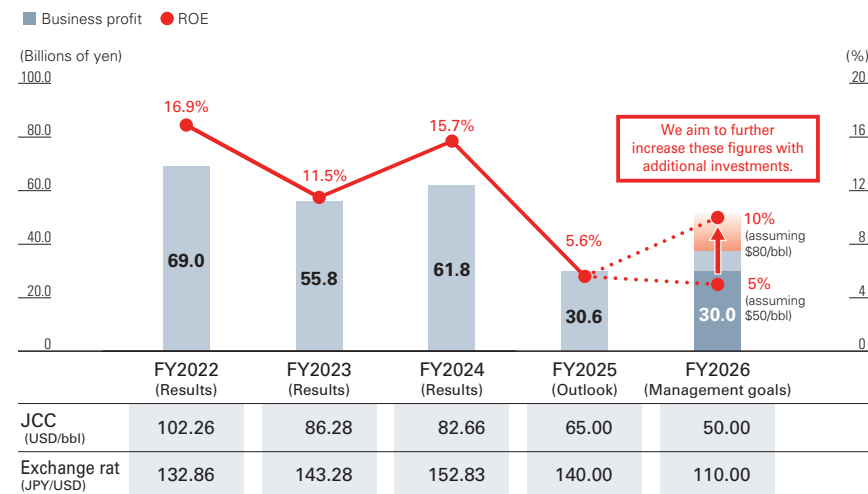
* CCS/CCUS network that connects multiple CO₂ emitters and CO₂ storage sites.

Progress of the Management Plan

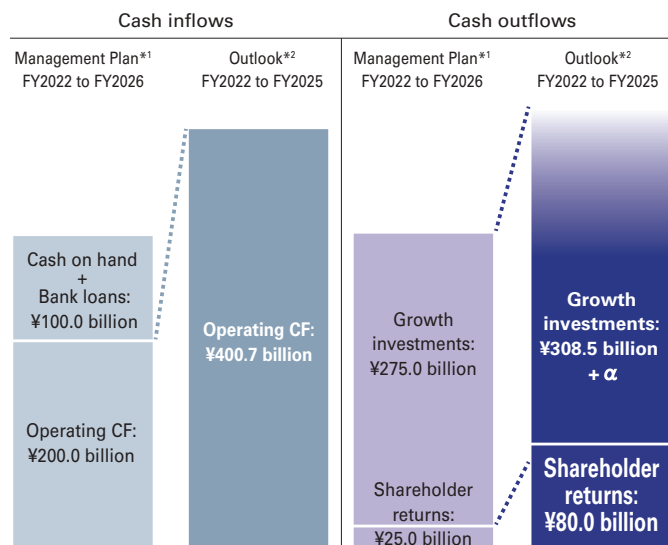
In the E&P field, preparations for building core assets have been completed by converting a Norwegian associate into a subsidiary of JAPEX, now renamed JAPEX Norge AS (J Norge), and establishing Peoria Resources LLC (Peoria) to acquire and manage operator assets in the U.S. E&P Business. In the I/U field, progress has been made, including participation in the Freeport LNG Project in the U.S. and start of biomass power operations in Japan. In the CN field, we have been working toward commercialization including being commissioned for the “Engineering Design Work for Advanced CCS Projects”.

Operating cash flow (CF) and cumulative shareholder returns for FY 2022-2025 are expected to be approximately 2.0 and 3.2 times, respectively, the cumulative targets set forth in the Management Plan covering FY 2022-2026, resulting in progress significantly exceeding the target. Growth investment is also progressing steadily toward the ¥450.0 billion target by FY 2030, with cumulative investments for FY 2022-2025 expected to reach ¥308.5 billion, compared with the planned amount of ¥275.0 billion by FY 2026.

Business profit and ROE outlook



Cash Flows



*1 Assumed crude oil price (JCC) of 50 USD/bbl and an exchange rate of ¥110/USD.

*2 FY2025 outlook assumes a crude oil price (JCC) of 65 USD/bbl and an exchange rate of ¥140/USD.

Breakdown of shareholder returns

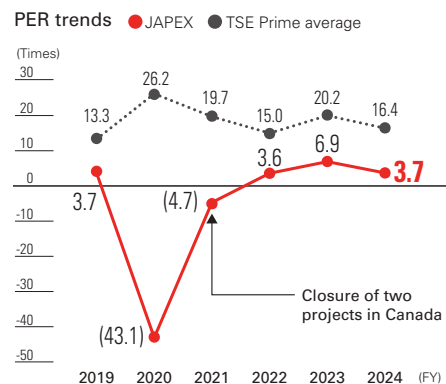
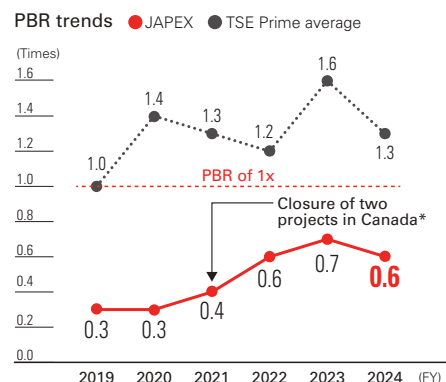
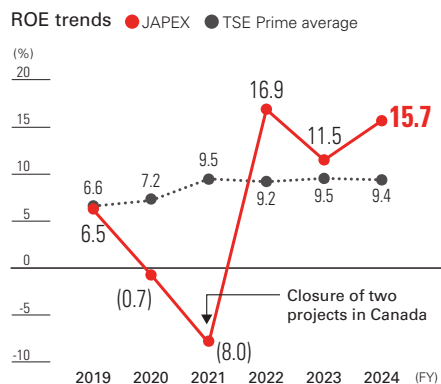
Outlook up to FY2025		(Breakdown)		
		Dividend at the end of previous period	Interim dividend	Purchase of treasury shares
FY2025*2 (Outlook)		¥12.8 billion	¥7.7 billion	¥5.1 billion
Cumulative total ¥80.0 billion	FY2024 (Results)	¥26.7 billion	¥9.2 billion	¥6.4 billion
	FY2023 (Results)	¥26.7 billion	¥11.9 billion	¥6.7 billion
	FY2022 (Results)	¥13.7 billion	¥1.3 billion	¥8.1 billion

Current Situation Analysis Including Market Valuation (PBR, etc.)

Our analysis in FY 2023 showed that the main factor behind our price-to-book ratio (PBR) falling below 1x was a below-average price-to-earnings ratio (PER). In response, our future policy emphasizes on “investment focused on capital efficiency,” “enhancement of shareholder returns,” and “continuous dialogue with stakeholders.”

While efforts were made in line with this policy in FY 2024, our PBR remained at 0.6x as of the fiscal year ended March 31, 2025. Although our ROE was 15.7%, exceeding the TSE Prime average, our PBR was still below 1x, largely reflecting a low PER. We recognize that this issue persists and that further progress is required to resolve it.

To enhance capital efficiency, we secured investment resources through the sale of a portion of strategic shares and the divestment of JAPEX UK E&P Ltd., which had struggled to maintain profitability. In parallel, we are advancing initiatives across the E&P, I/U and CN fields. In the E&P field, while short-term profitability has improved to some extent, we have yet to establish a sustainable business earnings base (core assets) of comparable scale. A key focus remains translating growth strategy into tangible results. In the I/U field, our participation in the Freeport LNG Project has contributed to securing a long-term, stable cash flow source. In the CN field, progress has been made, including being commissioned to work on the “Engineering Design Work for Advanced CCS Projects,” although its impact on current performance is limited.



Toward Enhancing Corporate Value

Investment focused on capital efficiency

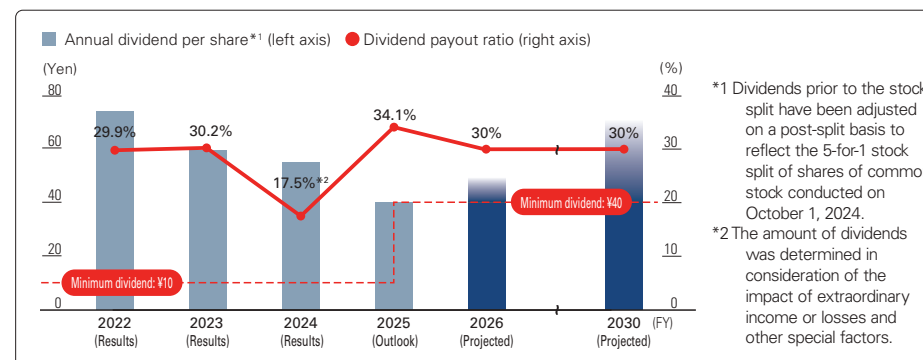
In the E&P field, we are pursuing business expansion by acquiring assets through our subsidiaries in the U.S. and Norway and advancing natural gas development and production projects through EMP Gebang in Indonesia, in order to generate medium- to long-term profits. In the I/U field, we are working to enhance profitability by leveraging synergies between the Freeport LNG Project and upstream businesses. In the CN field, preparations for the domestic CCS projects are underway, with a FID targeted for FY 2026 and commercialization aimed at achieving by FY 2030. Overseas, we commenced Front-End Engineering Design (FEED) on the Dry Piney Project in the U.S. in 2024, with a FID planned within FY 2025.

Enhancement of shareholder returns

JAPEX's basic policy on shareholder returns is to pay dividends based on business results with a target consolidated dividend payout ratio of 30% starting from FY 2022. Even in the event of a temporary downturn in business performance caused by changes in the business environment and other factors, we strive to maintain a minimum dividend. During this period, the minimum annual dividend per share was set at ¥50, and following the 5-for-1 stock split effective October 1, 2024, it was adjusted to ¥10. We recognize that the high volatility in our shareholder returns resulting from the correlation between market conditions such as oil prices and our profit level is an issue. Accordingly, to stabilize our shareholder returns, the minimum annual dividends per share will be raised from ¥10 to ¥40, starting from the fiscal year ending March 31, 2026.

Continuous dialogue with stakeholders

In addition to engaging analysts and institutional investors through financial results briefings and individual interviews, we seek to promote dialogue with stakeholders by activities including involving Outside Directors in financial results briefings, and holding briefings for individual investors.



* Refers to the oil sand project and the shale gas project. Please also refer to Financial Highlights. [P.69](#)

Progress up to Fiscal 2024 and Future Initiatives

Field	FY2024 results		FY2025 outlook	
E&P field 	In Japan, we advanced additional development around the Katakai Gas Field in Niigata Prefecture over FY 2022 - 2024, with production gradually commencing after drilling. Overseas, we have continued investing in the tight oil development business in the U.S. and further established Peoria Resources LLC in FY 2024 to acquire an operator business. Additionally, in Norway, we are exploring asset acquisitions through JAPEX Norge, which became a wholly owned subsidiary in July 2024.			
	Domestic E&P	Additional development work around the Katakai Gas Field in Niigata Prefecture: Second well began production (February)	Domestic E&P	Conduct an exploratory drilling survey in the offshore Hidaka area in Hokkaido (March)
	Overseas E&P	- Acquisition of additional well interests in a tight oil development in the U.S. (June) - Made Longboat JAPEX Norge AS, which is engaged in exploration, development, and production projects in the Norwegian offshore blocks, a wholly owned subsidiary and renamed it JAPEX Norge AS (J Norge) (July) - Established Peoria Resources LLC for acquiring and managing operator assets in the U.S. (March)	Overseas E&P	- Completed the transfer of JAPEX’s shares in JAPEX UK E&P Ltd. (July) - Decided on the transfer of the Kangean Block in Indonesia (May) - Decided on the participation in the Gebang PSC Block in Indonesia (May) + Focus on acquisition of new overseas oil and gas interests
	Ongoing	Promote development of overseas project Continuing additional development of the Garraf Project in Iraq to reach a scale of 230,000 barrels per day, gradually starting production from the additionally acquired interests in U.S. tight oil development, and conducting exploration and development in the Norwegian offshore blocks through J Norge		
Infrastructure/Utility field 	To strengthen our earnings base to withstand changes in the external environment, such as oil price fluctuations, we will promote initiatives to further increase stable cash flow, particularly in the renewable energy and overseas supply infrastructure businesses. As of fiscal 2024, we have participated in the “Freeport LNG Project” in Texas, U.S.A., aiming to enhance value through synergies with our existing businesses.			
	Domestic renewable energy development	- Commenced commercial operations of the Ozu Biomass Power Plant in Ehime Prefecture (August) - Started construction of the JAPEX Mihama Battery Energy Storage System in Chiba Prefecture and entered grid-scale battery business (August) - Concluded a Memorandum of Understanding on joint projects for solar power plants with Iino Kaiun (December) - Commenced commercial operations of the Chofu Biomass Power Plant in Yamaguchi Prefecture (December) - Commenced operations at the Niigata Matsuhama PV Power Plant in Niigata Prefecture (March)	Domestic renewable energy development	- Commenced commercial operations of the Tahara Biomass Power Plant in Aichi Prefecture (April) - Commenced commercial operations of the JAPEX Mihama Battery Energy Storage System in Chiba Prefecture (August) + Focus on participation in new renewable energy and battery energy storage system projects
	Overseas LNG midstream and downstream business development	Joined the Freeport LNG Project in Texas, U.S.A. (May)		
	Ongoing	Domestic Maintain and expand gas supply volumes and continue stable operations of Fukushima Natural Gas Power Plant		
Carbon Neutral field 	In Japan, we were commissioned by JOGMEC to undertake engineering design work in the Tomakomai area in Hokkaido, the Higashi-Niigata area in Niigata Prefecture, and Sarawak in Malaysia as part of the publicly solicited “Engineering Design Work for Advanced CCS Projects” for FY 2024. We are advancing feasibility studies on CCS/CCUS projects through these commissioned works. Overseas, following acquisition of a stake in Blue Spruce Operating LLC (BSO) of the U.S. in FY 2023 to pursue CCS commercialization in overseas countries with advanced institutional frameworks, we have been conducting feasibility studies on the project. In FY 2025, we will advance preparations toward the FID for CCS project. Furthermore, in countries with proposed institutional frameworks, we take a proactive role in advancing feasibility studies for CCS/CCUS projects at the Sukowati Oil Field in Indonesia and in Sarawak, Malaysia.			
	Feasibility studies for domestic and international CN projects	- Signed a joint study agreement for feasibility assessment on BECCS in South Sumatra, Indonesia (August) - Commissioned to undertake three survey projects for the publicly solicited “Engineering Design Work for Advanced CCS Projects” for FY2024 by JOGMEC: Higashi-Niigata area, Niigata Prefecture (September); Sarawak, Malaysia (September); Tomakomai area, Hokkaido (October) - Commenced inter-well CO2 injection test at the Sukowati Oil Field in Indonesia (October) - Commenced FEED for onshore terminal and receiving jetty topside of the CCS project in Sarawak in Malaysia (November) - Invested in a venture capital fund “ONE 1 Fund” specializing in the carbon neutral field (March)	Feasibility studies for domestic and international CN projects	Advancing preparations for FID on the Dry Piney project in the U.S. within the fiscal year + Continue to consider participation in new CN projects in Japan and overseas
	Ongoing	Feasibility studies for CN projects in Japan Advancing commercialization feasibility studies in the Tomakomai area in Hokkaido and the Higashi-Niigata area in Niigata Prefecture Overseas CCS/CCUS feasibility study CO2-EOR in Indonesia (in collaboration with Pertamina and others)/CCS in Malaysia (in collaboration with PETRONAS and others)		

Supporting the Balance of Capital Efficiency and Growth Investment from Finance to Achieve Sustainable Enhancement of Corporate Value

NISHIMURA Yutaka

Executive Officer
In charge of Finance & Accounting Dept.



Business Performance

As for our business performance in FY 2024, we saw net sales of ¥389.0 billion, operating profit of ¥62.0 billion, ordinary profit of ¥64.2 billion, and profit attributable to owners of parent reach a record high of ¥81.1 billion partly due to one-time gains from the sale of a portion of strategic shares.

Compared to FY 2023, net sales increased by ¥63.2 billion and operating profit increased by ¥6.7 billion, mainly driven by contributions from overseas E&P business. Specifically, sales volumes of crude oil and natural gas increased in tight oil development in the U.S. and the Seagull Project in the U.K. North Sea. In addition, the expansion of domestic LNG sales volume resulted in an increase in both sales and profit overall.

The outlook for FY 2025, revised following the announcement of the financial results for the first quarter in FY 2025, forecasts net sales of ¥330.0 billion, operating profit of ¥31.0 billion, ordinary profit of ¥39.3 billion, and profit attributable to owners of parent of ¥33.0 billion. We expect a decrease in both sales and profit compared to FY 2024, due to the predicted decline in oil prices and stronger yen.

Growth Investments

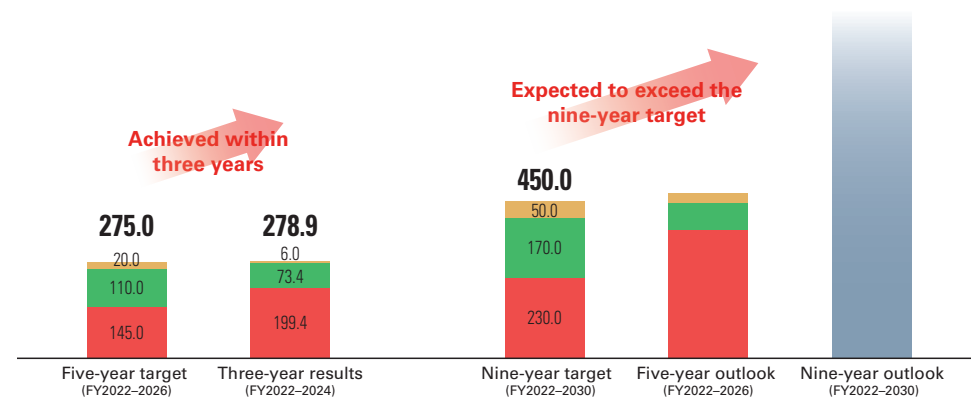
FY 2024 was the year we proactively made growth investments. In the E&P business, we made investments of approximately ¥80.0 billion in tight oil development in the U.S. In the Infrastructure/Utility (I/U) business, we invested approximately ¥60.0 billion in the Freeport LNG Project in Texas, U.S.A. We invested a total of ¥161.4 billion for the year. As a result, over the

three years from FY 2022 to 2024, we have already achieved cumulative investment of ¥278.9 billion, exceeding the five-year target in the Management Plan of ¥275.0 billion for FY 2022 to 2026. We believe that cumulative investment over the five years through to FY 2026 will exceed the nine-year total of ¥450.0 billion assumed in the Management Plan through to FY 2030.

For FY 2025, we are planning to make investments of ¥29.5 billion, focusing on the allocation of funds for growth investments, such as CCS-related businesses including the Dry Piney project in the U.S., which is currently under consideration for final investment decision. It should be noted that the ¥29.5 billion covers only the investments confirmed at the beginning of the fiscal year, and the acquisition of new assets will be pursued proactively under a separate budget.

Trends in growth investments (E&P, I/U, CN)

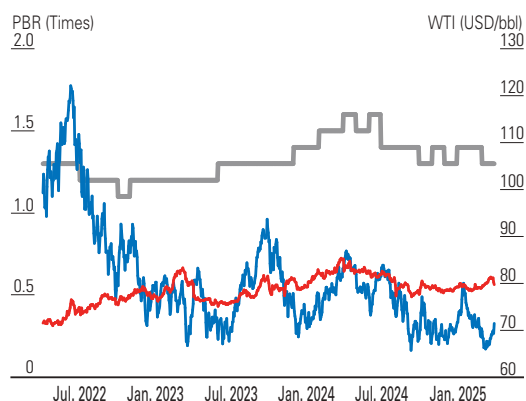
(Billions of yen)



Analysis of PBR and Initiatives Going Forward

In the explanatory materials for the six months ended September 30, 2023 (announced in November 2023), we analyzed that the continued PBR below 1x is primarily due to the PER that remains below the market average. Since the closure of two projects in Canada in FY 2021,

— PBR (JAPEX) — PBR (Prime Market) — WTI



we have consistently maintained a double-digit ROE, recording 16.9% in FY 2022, 11.5% in FY 2023, and 15.7% in FY 2024. However, our PBR for FY 2024 has remained in the range of 0.5x to 0.7x, which indicates that improving our PER remains an ongoing challenge. We are implementing the following measures across each field to steadily increase EPS and raise growth expectations, leading to improving our PER and addressing the current situation where PBR remains below 1x.

In the E&P field, we are securing funds for growth investments through the divestment from the U.K. North Sea. In the U.S., we aim to acquire operator projects through Peoria Resources LLC, which we established with American partners with extensive investment experience in the tight oil field. In Norway, we will utilize JAPEX Norge AS, now a wholly owned subsidiary, to build up core assets as with the U.S., with the aim of improving profit growth and investment returns.

In the I/U field, we entered the Freeport LNG Project in Texas, U.S.A. in FY 2024 to secure long-term, stable cash flow. We expect profitability to improve further through additional train development, planned for the 2030s and beyond, under this project and by pursuing synergies with the E&P business in the U.S.

In the Carbon Neutral (CN) field, we are advancing commercialization of various CCS-related projects both in Japan and overseas. Starting with the Tomakomai CCS project, we hope to increase the probability of social implementation and monetization as part of the business, which we believe will strengthen the expectations for our growth.

Capital Policy

We currently estimate the cost of shareholders' equity to be approximately 8%, based on the CAPM. With a clear focus on the cost of capital, we are steadily making growth investments to build core assets, aiming to secure earnings that exceed the cost of capital.

For fundraising, we are strengthening the initiatives mainly on financial flexibility. While we have made use of commitment lines and a cash management system under which funds are exchanged with certain subsidiaries, we took steps to further diversify our fundraising methods by issuing commercial paper (CP) for the first time in July 2024, with an issue limit of ¥30.0 billion.

Additionally, we secured several tens of billion yen in liquidity by selling a portion of our strategic shares in November 2024, and by selling all shares of our U.K. subsidiary as a divestment of the U.K. North Sea in July 2025. Although we executed a large-scale investment of ¥161.4 billion during FY 2024, these measures have positioned us well to prepare for next investments.

Through the dialogue with the market participants, we have received opinions regarding the strength of our equity and our proactive use of debt. First, our top priority is to build a foundation of core assets through growth investments that can sustainably raise our profit level. From the standpoint of our balance sheet, we believe we can first utilize our cash on hand to rebuild the left side of the balance sheet (assets) while achieving an optimal balance with the right side (capital and debt).

In Closing

We will maintain and strengthen the system that can allow us to respond flexibly based on our financial position and business environment, while maintaining a sound financial foundation and focusing on enhancing our fundamental earning power.

We view FY 2025 as another important year for building the foundation to further enhance our corporate value. With a sincere commitment, we will continue to address both financial and non-financial areas as we work toward achieving sustainable management.

A Culture of Taking on Challenge and Transformation Sprouting from Site-Driven DX

NAKAJIMA Toshiaki

Director, Senior Managing Executive Officer
President of Corporate Strategy Division



DX Promotion Plan

One of the four key challenges (material issues) that we must now address to achieve sustainable growth is digital transformation (DX). By strategically utilizing data and digital technologies, we aim to create an environment where employees can focus on high-value tasks, thereby building a management foundation that enhances corporate value.

We have established a roadmap with the interim goal of becoming DX-Ready (being ready to transform our business through digital technologies) by 2026. We are advancing initiatives such as developing internal human resources, fostering a "grassroots" DX movement, streamlining operations through Business Process Re-engineering (BPR), constructing

an integrated data infrastructure, and creating new businesses. Through these initiatives, we will reallocate human resources, achieve advanced business and management through company-wide data utilization and prompt decision-making, and aim to establish new business models.

Advanced Digital Training and Fostering a DX Movement

Regarding advanced digital training, starting in FY 2023, we began training business architects who design solutions for business challenges, data scientists skilled in data analysis, and digital leaders who possess digital knowledge and drive DX. With a goal of training 250 people by FY 2025, about 180 had completed the program by the end of FY 2024.

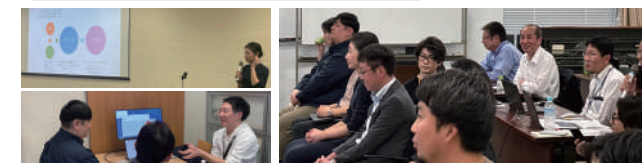
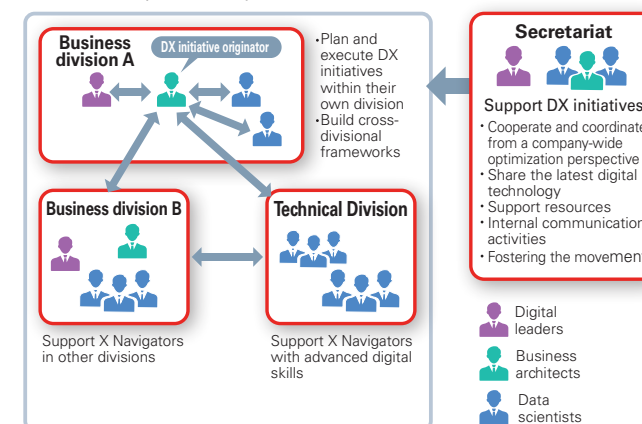
From FY 2024, graduates of the advanced digital training program have started in earnest as "X Navigators", and proposed "DX initiatives" to tackle their respective department's operational issues, sparking change from the site as "grassroots DX". The Corporate Strategy Department of the Corporate Strategy Division, serving as the secretariat, provides multifaceted support so X Navigators can advance their initiatives smoothly. This includes support from a company-wide optimization perspective, holding idea generation workshops, facilitating access to external resources such as experts, and conducting DX study sessions to share the latest digital technologies. As a result, over 20 DX initiatives

have already entered the implementation phase, and they are yielding tangible outcomes one after another such as improved operational efficiency. This momentum is spreading throughout the company, and creating a positive chain reaction that can be called a "DX movement".

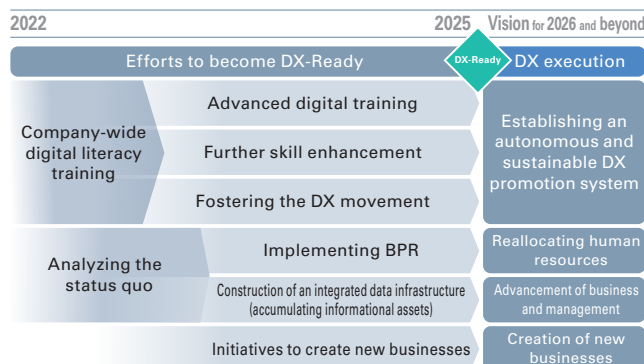
A symbolic showcase for this movement was the DX Initiative Presentation Session. When X Navigators presented their journeys of challenges and achievements to officers and employees, the room was filled with comments like "I'm glad we did it," "My colleagues supported me," and "I was deeply inspired," and the space was filled with the passion and hope of an organization that takes on challenges. I myself was deeply moved by that passion.

Challenges that sprout from the site ultimately become a force that changes corporate culture. A culture that embraces change and celebrates challenges is the very foundation for building the future of JAPEX. I believe that each individual's challenge will forge the future of JAPEX.

Grassroots DX promotion system



Scene from the DX Initiative Presentation Session



Digital Transformation (DX)

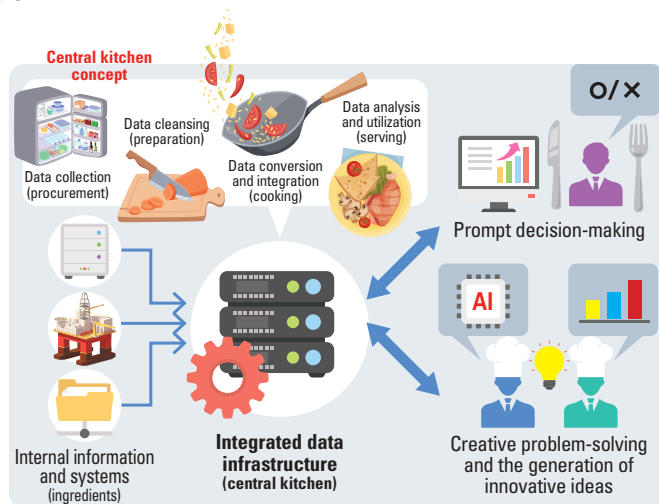
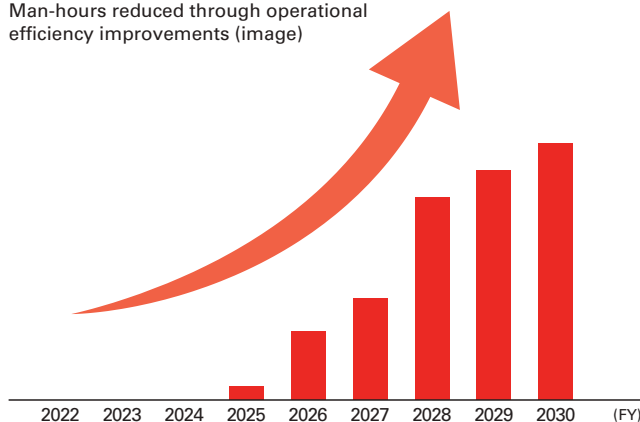
Message from the Officer in charge of Corporate Strategy Division

Implementing BPR

Before we began our DX efforts, much of the internal data was scattered across systems in each department and maintained in Excel files with inconsistent formats. For that reason, not only did data transfer and processing require significant effort, but it was also difficult to use data organically in real time, both of which were issues.

Given this situation, we have embarked on BPR by way of streamlining operations. Rather than comprehensively targeting all operations, we selected critical, cross-divisional processes within management control and operational management for standardization and automation. In FY 2024, we completed the review of certain business processes and system implementation, and transitioning to new business processes starting in 2025 is expected to improve operational efficiency and reduce man-hours. Going forward, we will roll these efforts out to other departments to improve productivity company-wide and reallocate the freed-up resources to core operations and new value creation.

Man-hours reduced through operational efficiency improvements (image)



Constructing an Integrated Data Infrastructure

To address the challenge of data fragmentation and achieve operational automation, we are building integrated data infrastructure (nicknamed the "central kitchen"), targeting completion within FY 2025. This infrastructure envisions a central kitchen that centrally gathers and prepares reliable data, likening scattered data to ingredients and its analysis and use to cooking.

This will give everyone access to reliable data, and enable faster, more accurate decisions based on data feeding our management dashboards, thus improving the speed and precision of management. Furthermore, we also aim to achieve data democratization by promoting cross-divisional data use and accelerating company-wide innovation. We are also progressing with exploring the establishment of appropriate data governance while advancing the creation of an environment where every employee can easily access systems and data during daily operations.

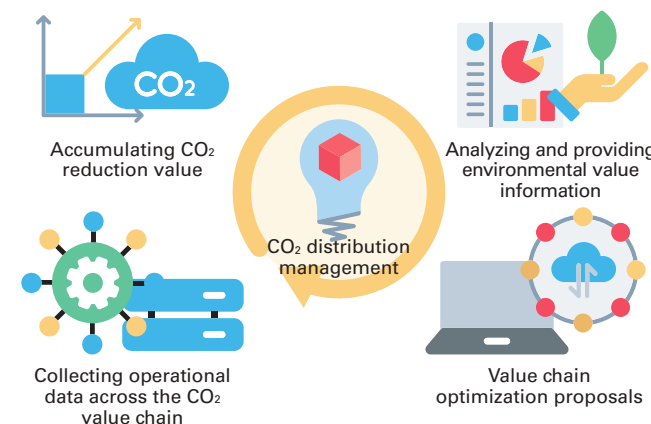
Moreover, in conjunction with the integration of our domestic E&P and natural gas supply businesses in FY 2025, we are introducing a new operations information management system to establish a real-time centralized

monitoring framework. The resulting operations data will also be consolidated into the central kitchen to enable a bird's-eye view of the entire gas value chain, and facilitate the smart transformation of existing business through AI-driven preventive maintenance and optimization of supply-demand and inventory management.

Initiatives to Create New Businesses

To achieve a balance between our material business issues, namely "Stable Energy Supply" and "Establishment of Carbon Neutral (CN) Business," it is necessary to build a new business model that goes beyond our traditional one of supplying oil and natural gas. For example, in the CCS business, we need a system that digitally manages the logistics chain—from CO₂ capture to storage—as well as the environmental value and credit trading generated by CCS, in an integrated manner.

By building such systems, we aim to realize new business models through digital technology, and we position this as one pillar of DX. We also focus on connecting ingenuity from daily operations to the advancement and transformation of future businesses, as employees themselves solve issues in the site with digital tools through the activities of the grassroots DX described above.





Achieving Solid Progress in Human Capital Management

FUNATSU Jiro

Director, Managing Executive Officer
In charge of Secretary Office, Administration & Legal Dept., and Human Resources Dept.

The Vision to Be Achieved Through Strengthening Human Capital Management

JAPEX is building a business model that will create new value and sustain our existing operations. We need to make our founding business, E&P, more profitable while also engaging in the net-zero transition.

To achieve the goals in the Management Plan, we need a workforce dedicated to sustainable growth with a dauntless mindset unbowed by failure. Continuously securing such talent, both internally and externally, is no easy task amid Japan's declining birthrate and aging population. To enable employees to take on challenges while feeling secure, we must build a co-creative and trusting relationship where the company and its employees share a common vision and work together toward mutual growth. The company provides opportunities and an environment where diverse employees can thrive while feeling fulfilled in their work. It then supports employees to utilize them to independently transform themselves and contribute with enthusiasm. We are steadily engaging in human capital management with a view to "forming a diverse and highly engaged talent pool to achieve transformation."

Evolving Human Capital Management Initiatives

A human resources strategy should be aligned with the Management Plan. To further increase alignment between the human resources strategy and the Management Plan, we began formulating a workforce plan (human resources portfolio) that identifies the quantity and quality of the talent we need in order to achieve the goals in our Management Plan. We are also visualizing talent in a timely manner. Our future initiatives for human capital management include setting specific KPIs as quantitative targets and driving their implementation.

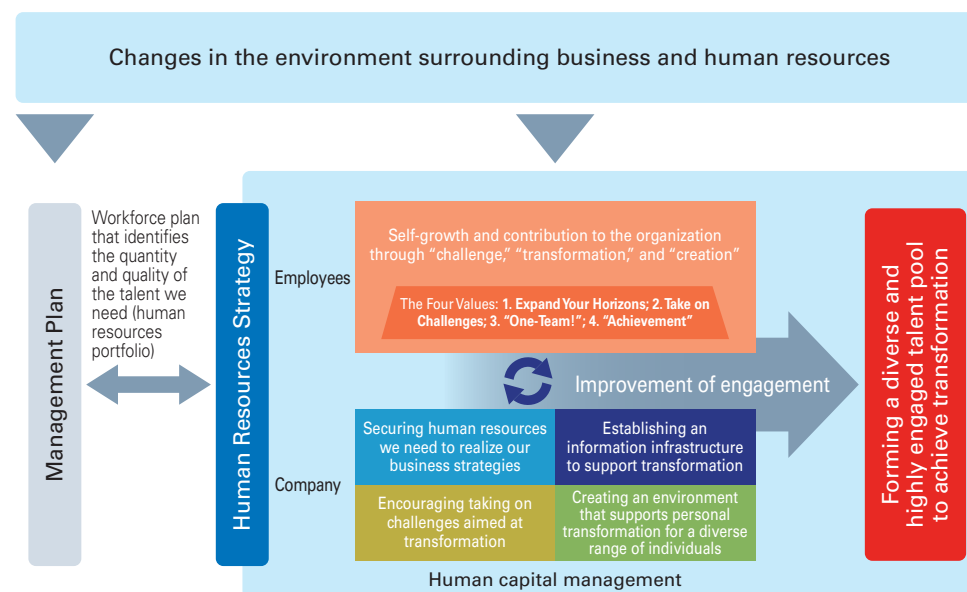
Initiatives to Improve Engagement

Employee engagement is a measure of employees' trust in the company. We introduced an engagement survey in fiscal 2023. We use the survey to evaluate the present status of the organization and develop effective measures. The first survey revealed a lack of communication across different levels of the organization, including management officers, and cross-organizational solidarity.

In FY 2024, to address these issues, we held employee briefings by responsible officers on important business issues as needed to align perspectives between management officers and employees. We also provided occasions for dialogue between overseas business divisions, which are key growth drivers, and management officers to exchange opinions about visions and strategies across the boundaries of organizational levels and divisions. Partly as these initiatives were effective, our employee engagement score* improved to 53.7 points in FY 2024 from 49.5 points in FY 2023.

Using engagement score as a metric, we will continue to reform organizational culture through a PDCA cycle of organizational improvement.

* This is a standard score indicating deviation from the mean score among companies using services provided by Link and Motivation Inc. The mean is scaled at 50.0.



Human Resources Strategy

Message from the Officer in charge of Human Resources Dept.

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JAPEX's Vision

Strategy

Value Creation Through Business

Initiatives to Support Value Creation

Financial and Other Information

	Specific initiatives	FY2022 to FY2024
Securing human resources we need to realize our business strategies	Securing and assigning human resources	- Expanded mid-career recruitment - Visualized and centralized information on employee skills and work experience - Utilized the information infrastructure (talent management system) to secure and assign human resources more efficiently - Actively utilized senior employees with high expertise and expanded investment in the training of internal human resources
	Developing human resources	- Introduced career development guidelines - Held 1-to-1 meetings between supervisors and subordinates - Utilized talent management system - Career consultation service - Introduced and enhanced the internal open recruitment system - Internal dual-role system (trial introduction in FY 2024) - Expanded reskilling and upskilling programs - Human resources system (role grading system)
	Formulating human resources portfolio	Formulated human resources portfolio (ongoing)
	Using a talent management system to centralize the management of information on company-wide human resources	- Implemented a talent management system - Utilized the talent management system to internally share information on job descriptions and work experience across departments and realize career consultation
Establishing an information infrastructure to support transformation		
Encouraging taking on challenges aimed at transformation	Role grading system based on the roles that one plays	- Revised the human resources system (role grading system (introduced in FY 2024)) - Challenge support system (introduced in FY 2024).
Creating an environment that supports personal transformation for a diverse range of individuals	- DE&I - Good working environment - Health management	- Mid-career recruitment - Promoted greater participation of women - Promoted work-life balance and workstyle diversity (removal of dress codes (formally implemented in FY 2024)) - Support for balancing work and family - Health management

Providing opportunities to broaden career horizons

- Expanding internal open recruitment system
- Trial introduction of the internal dual-role system (FY 2024)
- Providing support for study at domestic graduate schools
- Conducting open recruitment for study at overseas graduate schools
- Conducting career design training

Career development support framework

- Introducing career development guidelines
- Promoting 1-to-1 meetings between supervisors and subordinates
- Offering a subsidy to encourage the acquisition of certifications for reskilling

Career development support framework and infrastructure

- Establishing career consultation service
- Utilizing the talent management system
 - A framework that allows employees to reference each other's career paths and seek guidance
 - Sharing information on job descriptions and work experience across departments

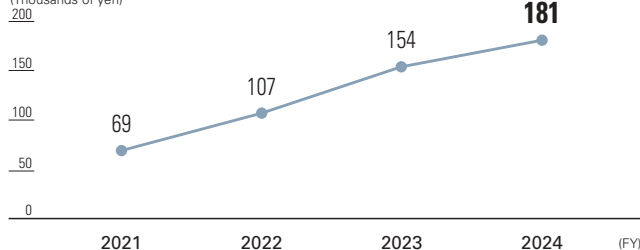
Securing human resources we need to realize our business strategies

Securing and assigning human resources

To build a robust workforce structure for the first three years of our Management Plan, we have continually expanded mid-career recruitment since FY 2023. We are further visualizing and centralizing information regarding employee skills and work experience. By leveraging the information infrastructure (talent management system), we are working to secure and assign human resources more efficiently. As the next step in securing specialized talent, we are further investing in the training of internal human resources and utilizing the resources, particularly senior employees with high expertise in existing businesses, regardless of age.

Training expenses per employee

(Thousands of yen)



Developing human resources

Equipping the mindsets and skill sets to drive business transformation and excel in new roles

We focus on developing human resources who will serve as the driving force behind expanding the business areas by providing them with the reskilling program to promote DX and respond to new business areas and programs that provide advanced business skills which are necessary for M&A activities such as accounting and legal affairs in a systematic manner. In conjunction with the newly introduced human resources system (role grading system), we are enhancing education opportunities for employees to acquire necessary mindsets and skill sets for the expected roles and actions of each grade. We are developing an education system linked to the new human resources system to promote the strategic and systematic development of human resources.

Supporting employees in autonomous self-growth

We provide opportunities for employees to plan their career autonomously and achieve self-growth toward the realization. We also develop a support system as well as a framework and infrastructure.

In FY 2024, we trialled the introduction of an internal dual-role system as part of our efforts to provide more opportunities for employees to autonomously broaden their horizons.

Encouraging taking on challenges aimed at transformation

Role grading system based on the roles that one plays

In FY 2024, to appropriately reward human resources who have taken on the challenge of creation and change, we revised our human resources system from the previous system, which tended to be seniority-based, to one centered around roles (role grading system). The new human resources system is established to more fairly reward the scope of responsibilities, performance, and role-related behaviors demonstrated by employees. To foster a culture where innovation is driven through collaboration, the new evaluation system places emphasis on contributing positively to the growth and motivation of one's subordinates and colleagues, as well as enhancing organizational engagement. The system also encourages setting goals equivalent to one role grade higher than themselves to motivate playing a challenging role, which at the same time appropriately be rewarded. With a view to embedding and disseminating the new human resources system, we will measure and monitor the outcomes and provide training to inform employees of their roles.

Value Creation Through Business

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- 33 Infrastructure/Utility Field
- 36 Carbon Neutral Field



Progress of Projects

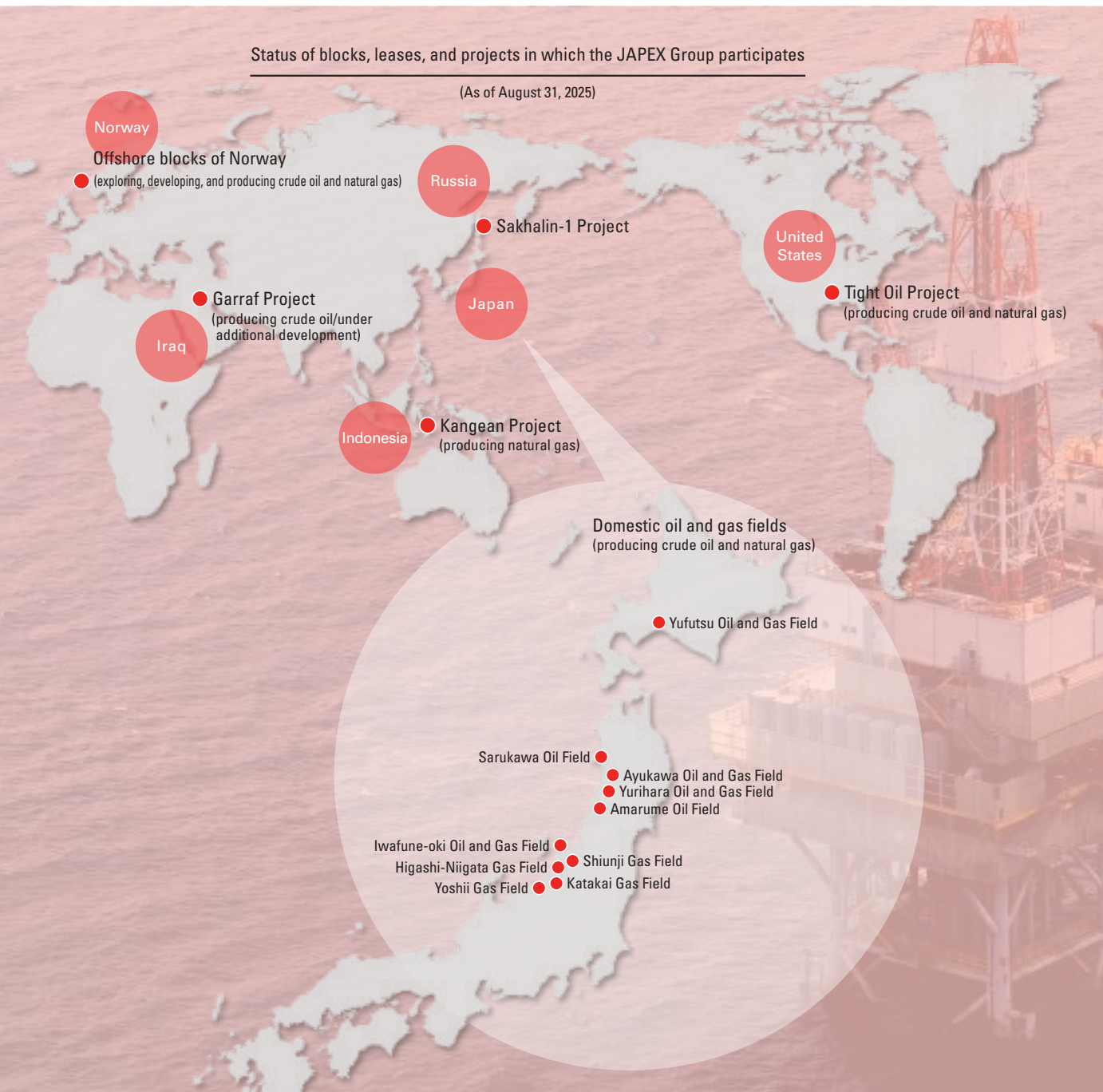
Progress of Major Projects (by field)

	FY2022	FY2023	FY2024	FY2025
E&P field				
Stable production of oil and natural gas in existing oil and gas fields	Ongoing production at 10 domestic oil and gas fields			
Additional development of existing oil and gas fields and surrounding areas			- Started production of the first well - Started production of the second well	
- Additional development at the Katakai Gas Field in Niigata Prefecture - Exploratory drilling survey in the offshore Hidaka area in Hokkaido			Selected as a subsidized project under the "Subsidy for Geological Survey for Domestic Oil and Natural Gas in FY2024"	Exploration work (drilling of an exploration well)
Steady execution of existing overseas projects and acquisition of new projects				Established Peoria Resources LLC for acquiring and managing operator assets
Tight oil development in the U.S.	Ongoing production ● Acquired additional interests	● Acquired additional interests ● Acquired additional interests ● Acquired additional interests		
Seagull Block in the U.K. North Sea.		Started production		Business transfer
Offshore Blocks of Norway		Acquired 49.9% of shares in Longboat JAPEX Norge AS (LJN)	Acquired all shares (50.1%) of LJN and renamed the company to JAPEX Norge AS	
Statfjord Øst Block and Sygna Block		Acquisition of interests through LJN ● Ongoing production		
Garraf Project in Iraq	Ongoing production and additional development work (development for production increase to 230,000 barrels per day)			
- Indonesia - Kangean Block - Gebang Block	Ongoing production			- Decided business transfer - Decided business participation
Sakhalin-1 Project in Russia	Ongoing production			
Infrastructure/Utility field				
Gas supply network in Japan				
- High-pressure gas pipeline/LNG terminals - ESP service business (for Boehringer Ingelheim Seiyaku Co., Ltd.)	Efforts toward stable operation and sales expansion	Started ESP service		
Overseas LNG supply infrastructure			Business participation ● Stable operation	
Freeport LNG Project in Texas, U.S.A.				
Gas power generation				
Fukushima Natural Gas Power Plant	Stable operation			
Renewable energy (biomass)			Started biomass fuel supply business	
Abashiri Biomass 2nd and 3rd Power Plants in Hokkaido	Started commercial operations of 2nd power plant	Started commercial operations of 3rd power plant		
Ozu Biomass Power Plant in Ehime Prefecture			Started commercial operations	
Chofu Biomass Power Plant in Yamaguchi Prefecture			Started commercial operations	
Tahara Biomass Power Plant in Aichi Prefecture				Started commercial operations
Renewable energy (PV)	Stable operation at two domestic solar power generation facilities	Started commercial operations		
Mitsuke PV Power Plant in Niigata Prefecture				
Niigata Matsuhama PV Power Plant in Niigata Prefecture				Started commercial operations
Grid-scale battery business				
JAPEX Mihama Battery Energy Storage System in Chiba Prefecture			Business participation	Started commercial operations
Carbon Neutral field				
Feasibility studies for domestic and international CN projects				
Tomakomai area in Hokkaido		Commissioned "Business Feasibility Study on Japanese Advanced CCS Project" for FY2023 by JOGMEC	Commissioned "Engineering Design Work for Advanced CCS Projects" for FY2024 by JOGMEC	
Higashi-Niigata area in Niigata Prefecture		Commissioned "Business Feasibility Study on Japanese Advanced CCS Project" for FY2023 by JOGMEC	Commissioned "Engineering Design Work for Advanced CCS Projects" for FY2024 by JOGMEC	
Considering business in overseas countries with advanced institutional frameworks				
Dry Piney project in the U.S.		Business participation		FID (planned within FY2025)
Considering business in overseas countries with proposed institutional frameworks		Signed a CO ₂ Storage Site Agreement with PETROS for a CCS project		
- Sarawak, Malaysia - Sukowati Oil Field in Indonesia - South Sumatra, Indonesia	Signed a Key Principles Agreement (KPA) with PETRONAS for the maturation and development of the CCS project in Malaysia	Commissioned "Engineering Design Work for Advanced CCS Projects" for FY2024 by JOGMEC	- Commenced FEED for onshore terminal and receiving jetty topside of the CCS project - Started CO₂ injection test	Concluded a joint study agreement for a feasibility assessment on BECCS



Status of blocks, leases, and projects in which the JAPEX Group participates

(As of August 31, 2025)



Strengths

- Comprehensive technical capabilities of the Group that fully cover the entire E&P field
- Relationships of trust with stakeholders, including clients, local communities, and oil-producing countries

JAPEX's Direction Toward JAPEX2050

Stable supply of oil and natural gas

- Interest acquisition and development
- Promotion of natural gas use
- Promotion of low-carbon operations

JAPEX Management Plan 2022–2030

Profit targets and priority items

- Business profit target: ¥23.0 billion as of FY2026
➡ ¥27.0 billion as of FY2030

- Business profit results: ¥50.9 billion as of FY2024

- Priority items

Japan: Conduct stable production of oil and natural gas in existing oil and gas fields, pursue additional development at existing oil and gas fields and their surrounding areas, and reduce GHG emissions at oil and gas production locations

Overseas: Steadily promote existing projects and acquire new interests

Current state

Net production volume (FY2024 results)		Net proved reserves (as of March 31, 2025)	
Total	41.7 thousand boe/d	Total	115 million boe
(Breakdown)		(Breakdown)	
Japan	12.2 thousand boe/d	Japan	50 million boe
Overseas	29.5 thousand boe/d	Overseas	64 million boe
Crude oil	29.1 thousand boe/d	Crude oil	65 million boe
Natural gas	12.6 thousand boe/d	Natural gas	50 million boe

Units boe/d: barrels of oil equivalent per day.
boe: barrels of oil equivalent.

JAPEX will continue to contribute to early expansion of profit scale and reduce GHG emissions in our operations. We will also seek to diversify business risks by continuously acquiring assets of a certain size and holding various types of assets.

Risks

- Decrease in demand and volatility in sales prices of oil and natural gas due to the progress of decarbonization
- Increasing difficulties in acquisition of interests
- Rise in exploration and development costs as well as carbon tax and other environmental response costs

Opportunities

- Pursuit of remaining production potential in oil and gas fields in Japan
- Acquisition of new projects in key overseas regions



Drilling work site at Katakai Gas Field in Niigata Prefecture

FY2024 Activity Results

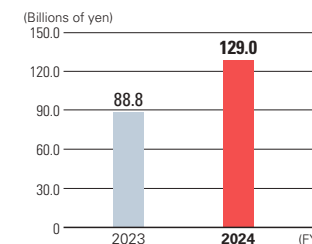
Japan

- Decided to conduct an exploratory drilling survey in the offshore Hidaka area of Hokkaido in October
- Additional development work around the Katakai Gas Field in Niigata Prefecture: Second well began production in February

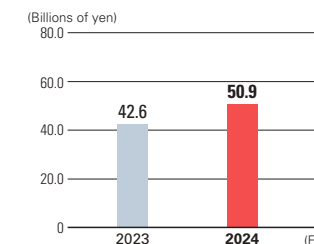
Overseas

- Acquired additional interests in tight oil development projects in the United States in June
- Made Longboat JAPEX Norge AS, which is engaged in exploration, development, and production projects in the Norwegian offshore blocks, a wholly owned subsidiary and renamed it JAPEX Norge AS (J Norge) in July
- Decided to transfer JAPEX's shares in JAPEX UK E&P Ltd. (JUK) in March
- Established Peoria Resources LLC for acquiring and managing operator assets in the U.S. in March

Net sales



Business profit



Factors for Change:

Increase in sales volume of U.S. tight oil development and Seagull Project in the U.K. North Sea.

Issues to be Addressed and Policy on Initiatives to be Taken Going Forward

Pursuit of remaining production potential in oil and gas fields in Japan

With the aim of supplementing our reserves and increasing production volume in Japan, we will conduct additional development at existing oil and gas fields and their surrounding areas (including offshore exploration). We expect to invest ¥30.0 billion by FY 2030 in domestic oil and gas fields.

In addition to maintaining domestic production volume

through the additional development of existing oil and gas fields, we will also strive to contribute to carbon neutrality through re-injection of associated CO₂ generated from our oil and gas production and by launching CCS/CCUS projects that utilize oil and gas fields.

Acquisition of new projects in key overseas regions

For overseas E&P, we will steadily promote projects that are currently in production or under development and pursue

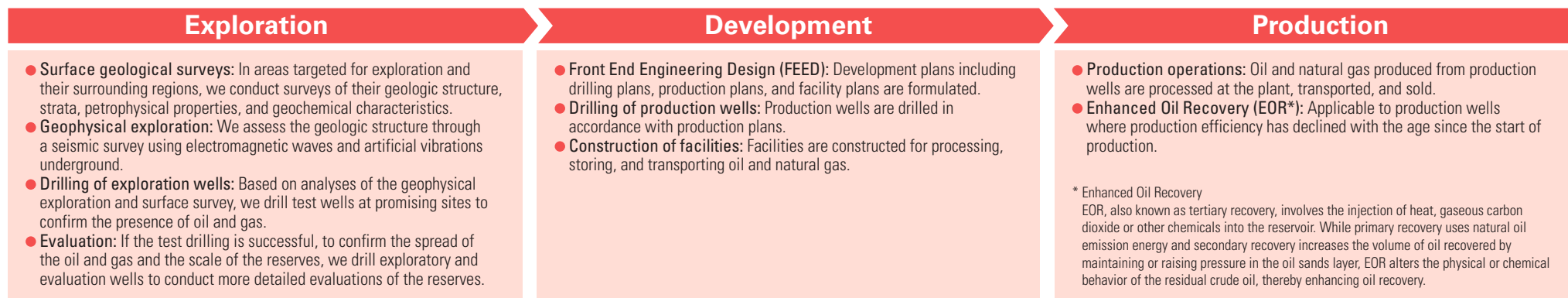
opportunities to acquire and invest in new mining interests, mainly in North America and the North Sea, where we have already participated in some other projects. We will further increase the amount of investment in overseas E&P from the Management Plan's envisioned ¥200.0 billion by FY 2030.

We aim to acquire core assets to achieve sustainable growth and enhance corporate value over the medium to long term.

JAPEX's Comprehensive Technical Capabilities across the Entire E&P Business

Since JAPEX's founding in 1955 as a specialized upstream oil and gas company, we have focused on oil and gas E&P. To transport and supply the oil and gas JAPEX has produced or procured, we have also built up our own supply network in Japan. JAPEX's strength lies in the Group's ability to handle the entire E&P process of exploration, development, and production.

Flow of Oil and Gas E&P Business



JAPEX's Main Advanced E&P Technologies

Reservoir Simulation Technology The movement of oil and natural gas underground is visualized by simulations based on geological models to create future predictions. By carefully analyzing the best recovery methods for reservoirs, the technology formulates efficient and effective development plans.

Well Production Technology This technology covers the phases from drilling wells to production in the production engineering (PE) field, which aims to improve production from each well for efficient oil and gas recovery. JAPEX is currently applying the following PE mainly to the development and production of domestic oil and gas fields.

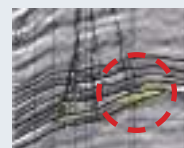
• Artificial lift: Producing crude oil using pumps and other machinery • Well stimulation: Acidizing and fracturing • Sand control: Application of gravel packs, etc.

Example of DX in E&P Technology: Automatic Identification of Promising Points by Artificial Intelligence (AI)

In the interpretation of geophysical exploration data, we identified geologically promising points (prospects) using the experience and skills of technicians through the following processes.

- Process of identifying geological structures (reservoirs) that can store oil and natural gas
- Process of estimating the potential for oil and natural gas to be present in the geological structure
- Process of combining these to identify prospects

We have automated these processes using AI to increase the efficiency of interpretation work and reduce the risk of inconsistencies and oversight errors in work done by technicians. While incorporating generative AI, which has seen remarkable development in recent years, AI technology will be utilized not only for oil and natural gas discoveries but also in the CCS business to conduct surveys on suitable CO₂ storage sites.



Prospects estimated by AI (image)

Additional development at the Katakai Gas Field in Niigata Prefecture

At the Katakai Gas Field, drilling operations are targeted at depths of over 5,000 meters below the surface using the latest evaluation techniques. Two wells were drilled using a 60-meter-tall drilling rig, the largest in Japan, and various materials and equipment that can withstand high pressure, high temperatures, and high hardness. The first well began production in December 2023, and the second well began production in February 2025.



The operation and additional development of domestic oil and gas fields are the source of solid cash flows. We aim to further grow the E&P field by expanding our technical capabilities and experience in exploration, development, and production overseas based on our comprehensive technical capabilities cultivated over many years as the foundation of JAPEX.

* Please visit the following link to see the detailed information on other technologies. ➡ <https://www.japex.co.jp/en/technology/>

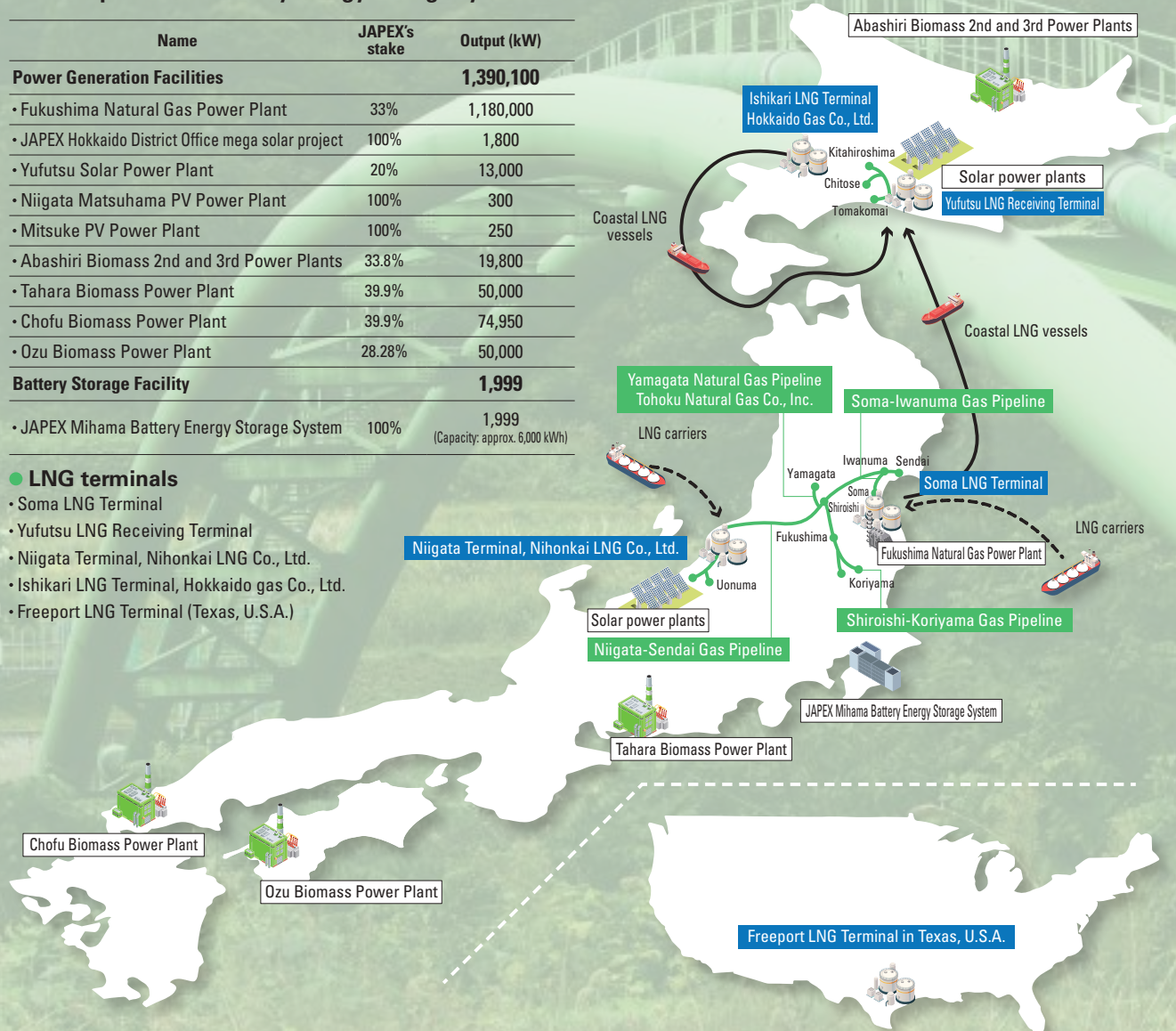
Main Facilities

- **High-pressure gas pipelines** Total length of around 800 km
- **Power plants and battery energy storage system**

Name	JAPEX's stake	Output (kW)
Power Generation Facilities		1,390,100
• Fukushima Natural Gas Power Plant	33%	1,180,000
• JAPEX Hokkaido District Office mega solar project	100%	1,800
• Yufutsu Solar Power Plant	20%	13,000
• Niigata Matsuhama PV Power Plant	100%	300
• Mitsuke PV Power Plant	100%	250
• Abashiri Biomass 2nd and 3rd Power Plants	33.8%	19,800
• Tahara Biomass Power Plant	39.9%	50,000
• Chofu Biomass Power Plant	39.9%	74,950
• Ozu Biomass Power Plant	28.28%	50,000
Battery Storage Facility		1,999
• JAPEX Mihama Battery Energy Storage System	100%	1,999 (Capacity: approx. 6,000 kWh)

● LNG terminals

- Soma LNG Terminal
- Yufutsu LNG Receiving Terminal
- Niigata Terminal, Nihonkai LNG Co., Ltd.
- Ishikari LNG Terminal, Hokkaido gas Co., Ltd.
- Freeport LNG Terminal (Texas, U.S.A.)



Strengths

- JAPEX's own domestic natural gas supply chain connecting gas fields in production and LNG terminals through a high-pressure gas pipeline network
- An infrastructure and operational framework that strives to reduce risks related to major accidental and disaster-caused damages
- Domestic gas fields with underground storage capacity in case of supply-demand adjustments and emergencies

JAPEX's Direction Toward JAPEX2050

Promotion of natural gas and LNG use

- Switching from other fossil fuels
- Meeting diverse demand for LNG

Expand participation in renewable energy projects

JAPEX Management Plan 2022–2030

Profit targets and priority items

- Business profit target: ¥12.0 billion as of FY2026
→ ¥27.0 billion as of FY2030
- Business profit results: ¥21.0 billion as of FY2024
- Priority items
 - Japan: Maintain and expand gas supply volumes, continue stable operations of Fukushima Natural Gas Power Plant, make steady progress in ongoing development projects of renewable energy, and participate in additional projects
 - Overseas: Participate in an LNG supply infrastructure development project and consider possible participation in renewable energy projects

Current state

FY2024 results

Domestic natural gas and LNG sales volume: **1.12 million tons**

Electricity sales volume: **3.3 billion kWh**

In order to transform business structure to withstand market changes such as oil price volatility, we will work to diversify our gas supply by switching fuels, add new renewable energy development projects, and discover LNG supply infrastructure development projects overseas.

Risks

- Decreasing energy demand due to the declining population in Japan and subsequent decreases in sales volumes of natural gas and electricity
- Intensifying competition in the Japanese market due to the liberalization of electricity and gas businesses
- Sudden fluctuations in LNG procurement prices and their pass-through to sales prices

Opportunities

- Expanding sales of natural gas by switching fuels (introducing natural gas with the aim of GHG emission reduction for industrial clients)
- Expanding the scope of services through contract businesses that utilize existing infrastructure and supply of energy with a low environmental impact



Ozu Biomass Power Plant in Ehime Prefecture

FY2024 Activity Results

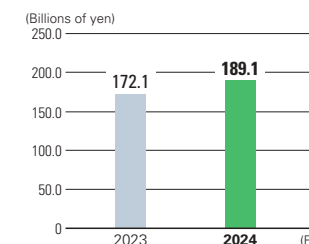
LNG Transportation and Supply

- Joined the Freeport LNG Project in Texas, U.S.A., in May

Renewable Energy Development in Japan

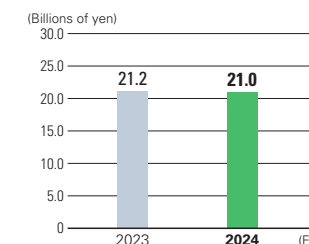
- Commenced commercial operations of the Ozu Biomass Power Plant in Ehime Prefecture in August
- Started construction of the JAPEX Mihama Battery Energy Storage System in Chiba Prefecture and entered grid-scale battery business in August
- Commenced commercial operations of the Chofu Biomass Power Plant in Yamaguchi Prefecture in December
- Commenced operations at the Niigata Matsuhama PV Power Plant in Niigata Prefecture in March

Net sales



Factors for Change:
Increase in sales volume of LNG and biomass fuel.

Business profit



Factors for Change:
Decrease in slide time lag gain.

Issues to be Addressed and Policy on Initiatives to be Taken Going Forward

Expanding Sales of Natural Gas by Switching Fuels

Leveraging our expertise and experience in the domestic natural gas supply chain, we aim to increase the sales volume of gas by focusing on cultivating demand, such as by diversifying supply methods for LNG and promoting the switch of fuels from coal and fuel oil to natural gas. In addition, we will realize a competitive energy supply by combining long-term and spot contracts for LNG and continue working to procure and supply carbon-offset LNG in order to meet client needs.

Carbon-Offset LNG Initiatives

Carbon-offset LNG is an initiative to reduce emissions of greenhouse gases generated in the process from extraction to combustion of natural gas to zero by offsetting them with credits from forest conservation, afforestation, and other greening projects. For projects, CO₂ emission reductions and absorption are certified and credited by a reliable inspection agency.

Expanding the Supply of Energy with a Low Environmental Impact

We will work to expand the supply of electricity with a low environmental impact by promoting the development of renewable energy, such as biomass and solar power generation projects. Furthermore, to increase the value of our power business, we entered the grid-scale battery business in FY 2024. We will first start with small-scale battery energy storage systems to gain operational expertise, with the aim of expanding the storage battery business in the future.

JAPEX's Initiatives to Realize a Stable Energy Supply

With its mission to contribute to society through a stable supply of energy, JAPEX is working to assure the redundancy and earthquake-resistance of its facilities and upgrading its emergency-response systems to steadily provide clients with energy even amid crises. Going forward, we will continue to ensure a stable energy supply based on the Company's strengths of a diverse gas supply network and a resilient infrastructure and operation system, which we have built up with the technical capabilities and know-how cultivated through our many years of domestic operations.

Ensuring Our Stability amid Demand Fluctuations and Crises

We supply gas through the pipeline from multiple sources, including oil and gas fields located along the Sea of Japan coast; the Niigata Terminal of Nihonkai LNG Co., Ltd., which we participate in; and our Soma LNG Terminal situated on the Pacific coast. By utilizing these sources in a well-balanced way, we enable flexible response to demand volatility and ensure a supply system resilient to disasters, equipment malfunctions, and other adverse events. In addition, at our Shiunji Gas Field (Shibata City, Niigata Prefecture), we bring in natural gas produced at other oil and gas fields through the pipeline network and inject and store it underground. This stored natural gas contributes to stable gas supply by being available for utilization during crises and to respond to demand volatility.

Emergency Response System

We use a remote monitoring and control system to conduct 24-hour, 365-day monitoring that maintains the proper conditions and safety of the Company's pipeline network, supply-related equipment, LNG terminals, and other facilities. In emergencies, we can shut off gas remotely. In addition, we have installed emergency shutoff valves to shut off gas remotely from a monitoring center when there is an abnormality in major valve stations or clients' receiving facilities. At key locations along the pipelines, we install vent towers to safely vent gas within the pipeline as necessary. In these and other ways, we have prepared our facilities to be able to safely respond to unusual events.

Safety Assurance Systems

To constantly assure safety, JAPEX's patrol personnel pay careful attention to daily pipeline patrols, safety inspections of peripheral facilities, inspections for gas leaks, the installation of safety signage and roadside signs, among other measures. We ensure that immediate precautions are taken in necessary areas when a disaster occurs, such as torrential rain, heavy snow, and earthquakes. After assuring the safety at the site, we promptly assess whether there is any damage to facilities by conducting patrols along the pipeline and work to restore services.

In addition, when construction work is conducted in areas surrounding pipelines, we work to prevent accidents by visiting the construction sites to avoid damage caused by insufficient precautions.

Participation in the Freeport LNG Project in Texas, U.S.A.

Through the acquisition of a stake in Gulf Coast LNG Holdings LLC (GCLH), we have been participating in the Freeport LNG Project since May 2024. This project involves liquefying natural gas into LNG, for which LNG production facilities are located near Freeport, in Texas, U.S.A., and exporting it outside the U.S.A.

In the JAPEX Management Plan 2022–2030, our top priority is to increase profits in the Infrastructure/Utility field to establish an earning structure that is less susceptible to market changes such as oil price volatility. In the project, we aim to secure long-term stable cash flow through the operation of liquefaction and processing facilities already in service (three trains in total, with an annual production capacity of approximately 15.45 million tons). We also aim to further expand our earnings by developing new LNG business, including plans for the expansion of the fourth train.



© Freeport LNG Development L.P.

We remain committed to a stable supply and promotion of utilization of natural gas based on our resilient infrastructure in Japan, including pipelines and the Soma LNG Terminal, and by procurement of Japanese natural gas and overseas LNG. Moreover, we will strive to build up business profits that are not affected by market conditions by expanding the renewable energy business, while ensuring the stable operation of the Fukushima Natural Gas Power Plant.



Toward a Carbon-Neutral Society

JAPEX will contribute to realizing a carbon-neutral society based on its knowledge and experience gained from many years in the oil and natural gas (development) business.

- Comprehensive technical capabilities cultivated in the E&P business
- Establishing CO₂ infrastructure using experience in the transportation and supply of natural gas and LNG

JAPEX's Direction Toward JAPEX2050

Recognizing that oil and natural gas will continue to be one of the major sources of energy in the future, JAPEX aims to achieve both a stable supply of these resources and the realization of a carbon-neutral society.

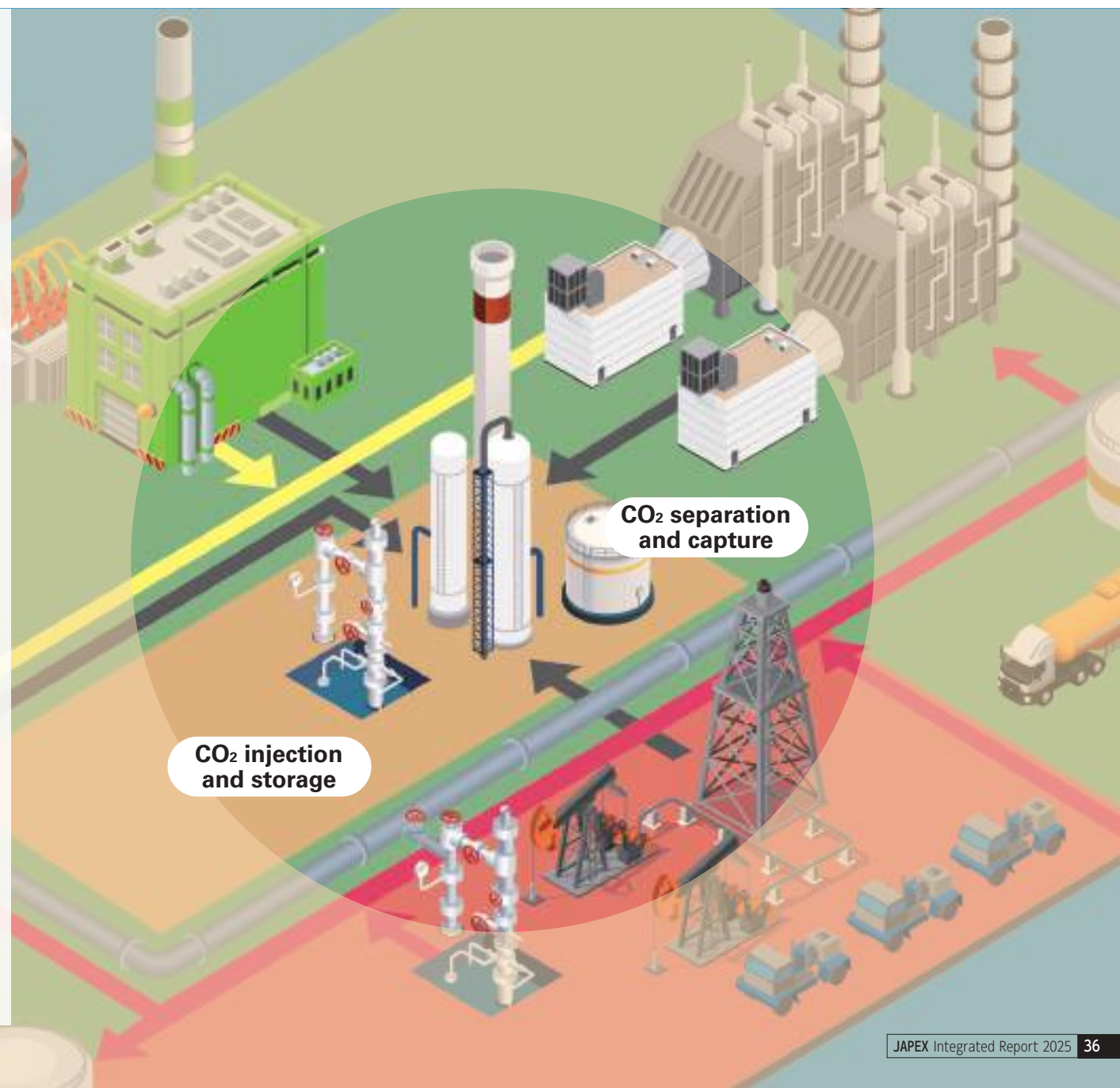
- **CCS/CCUS**
Practical application and commercialization of CCS/CCUS
- **Renewable energy**
Zero-emission electricity
Negative-emission* electricity
- **Next-generation energy supply**

JAPEX Management Plan 2022–2030

Profit targets and priority items

- Business profit target: ¥1.0 billion as of FY2026
→ ¥2.0 billion as of FY2030
- Priority items
 - Japan: Launch CCS/CCUS hub and cluster model business (an advanced CCS project) utilizing existing oil and gas fields and others
 - Overseas: Participate in CCS projects in systematically advanced areas and participate in feasibility studies on CCS/CCUS in emerging countries

* Negative emissions technologies (NET): Technologies that contribute to the removal of atmospheric CO₂, i.e., carbon dioxide removal (CDR), by separating and capturing CO₂ from the atmosphere and storing it underground.





Please visit the following link to watch our CCS introduction video.

<https://youtu.be/btk4SZx0XF4?si=G6mdHoc5vFumzuxW> (in Japanese only)

JAPEX's Strengths and New Possibilities in Carbon Neutrality

In line with JAPEX2050, we will promote initiatives focused on considering the commercialization of CCS/CCUS in and outside Japan in order to contribute to smooth transition to a carbon-neutral society in 2050.

We are focusing on CCS/CCUS to achieve carbon neutrality.

In Japan, CCS/CCUS technologies have been raised as an issue since the 2000s in Strategic Energy Plans. In the Seventh Strategic Energy Plan (revised in 2025), CCS/CCUS is positioned as one of the important technologies for realizing both decarbonization and industrial and energy policies.

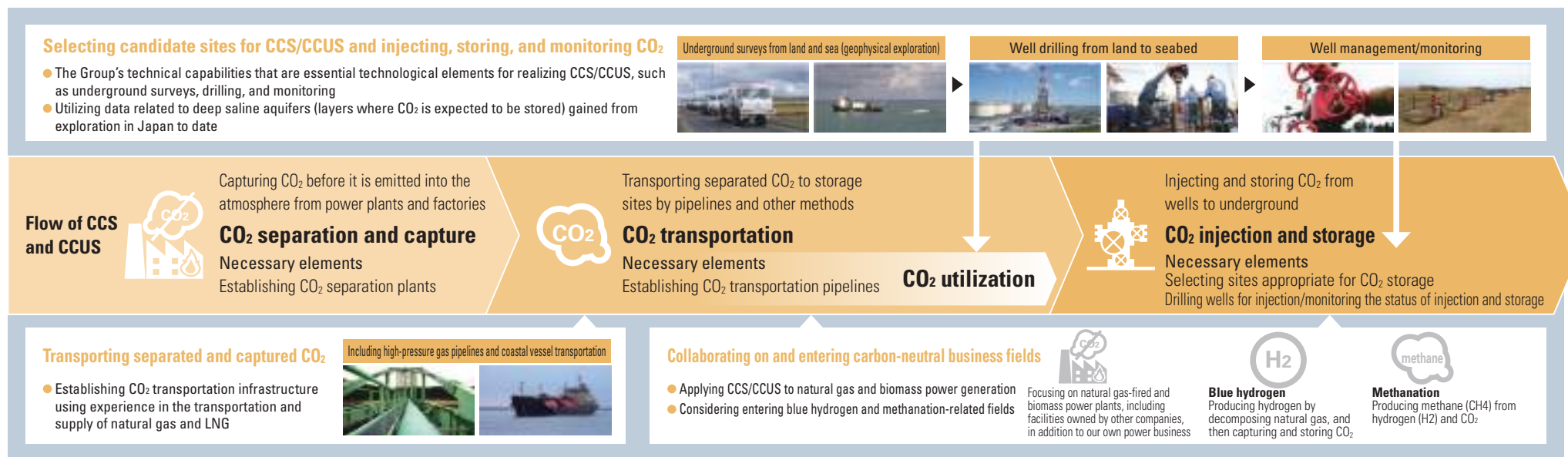
In the 2010s, the government conducted Japan's first large-scale CCS pilot test in Tomakomai City, Hokkaido, and Japan CCS Co., Ltd. (JCCS), a project company funded by JAPEX and

other private-sector companies, was commissioned to conduct the test. By 2019, it had reached the target of 300,000 tons of CO₂ injected under the seabed.

In recent years, the Ministry of Economy, Trade and Industry has been at the forefront of active discussions on a long-term roadmap and national legislation on CCS. As a result, the "CCS Long-Term Roadmap" to 2050 was formulated. In 2024, the Act on Carbon Dioxide Storage Businesses (CCS Business Act) was established, with partial enforcement beginning in August 2025.

As the infrastructure for commercialization is being developed, JAPEX's strengths in CCS/CCUS are its E&P-related technologies and personnel applicable to this area, the Group's comprehensive services from selecting appropriate sites to monitoring, and its multiple oil and gas fields expected to be able to store a significant amount of CO₂ in Japan.

By leveraging these strengths, we have begun studies aimed at commercialization in Japan and overseas based on our experience at JCCS.



With regard to CCS/CCUS technologies which have drawn attention as a last resort for achieving carbon neutrality, we have internally developed necessary technologies for storage business. In Japan, based on the trusted relationships with local communities we have nurtured for many years, we are aiming for commercialization by 2030 in Tomakomai and Higashi-Niigata, the target areas of the advanced CCS project.

Based on our experience in Japan, we will also promote commercialization in the U.S., Indonesia, and Malaysia.

JAPEX's Initiatives to Achieve Carbon Neutrality

JAPEX believes that CCS/CCUS is essential to achieving a smooth transition to a carbon-neutral society by 2050. To address challenges such as lack of established carbon trading prices and cost reduction, we will engage in policy advocacy, technological development, and stakeholder education. Our goal is to promote self-sustaining commercialization by around 2030. We are hopeful that decisive global action on CCS and adequate carbon pricing will be realized, and are committed to helping achieve a carbon-neutral society by 2050.

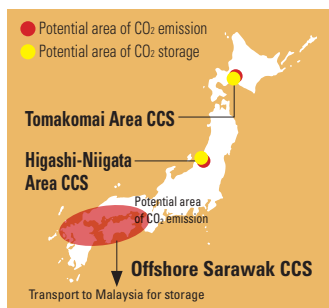


Opening ceremony held to celebrate the start of CO₂ injection at the Sukowati Oil Field

FY2024 Activity Results

Advanced CCS Commercialization Efforts

We are promoting CCS/CCUS as an area where we can demonstrate our strengths in the E&P field, which we have cultivated over the years. As concrete initiatives, we have been commissioned by JOGMEC to undertake engineering design work for CCS projects in the Tomakomai area in Hokkaido and the Higashi-Niigata area



Please visit the following link to see the details of the two projects in Japan.
https://www.japex.co.jp/business/uploads/pdf/CCSPamphlet_attached.pdf (in Japanese only)

in Niigata Prefecture in Japan, as well as overseas in Sarawak, Malaysia, as part of the publicly solicited "Engineering Design Work for Advanced CCS Projects" for FY 2024. In this work, we are collaborating with each company that is a source of CO₂ emissions to evaluate the necessary functions and size as well as operational challenges of the facilities. We will continue to accelerate our efforts, in cooperation with related parties, with the aim of achieving a carbon-neutral society.

Overview of Tomakomai Area CCS Project

Project 1

- Three companies based near Tomakomai City—JAPEX, Idemitsu Kosan, and Hokkaido Electric Power—conduct a study of the entire CCS value chain, including CO₂ separation and capture, pipeline transport, injection and storage, and monitoring.
- The goal is to begin storing 1.50 to 2.00 million tons annually in the Tomakomai area by 2030.

Overview of Higashi-Niigata Area CCS Project

Project 2

- Four companies based in Niigata City—JAPEX, Mitsubishi Gas Chemical, Tohoku Electric Power, and Hokuetsu Corporation—conduct a study of the entire CCS value chain, including CO₂ separation and capture, pipeline transport, injection and storage, and monitoring.
- The goal is to begin storing 1.40 million tons annually in the Higashi-Niigata area by 2030.

Overview of Offshore Sarawak CCS Project

Project 3

- CO₂ emissions generated in Japan, mainly from the Setouchi area, as well as CO₂ emissions generated in Malaysia, will be injected into and stored in depleted oil and gas fields off the coast of Sarawak in Malaysia. JAPEX jointly conducts a study of the entire cross-border CCS value chain with JGC Holdings, Kawasaki Kisen Kaisha, JFE Steel, Mitsubishi Gas Chemical, Mitsubishi Chemical, Chugoku Electric Power, Nippon Gas Line, and PETRONAS. The study covers CO₂ separation and capture, pipeline transportation, liquefaction, shipment, coastal vessel transportation, ocean vessel transportation, injection and storage, and monitoring, etc.
- The goal is to begin storing approximately 2.30 million tons annually (the projected CO₂ delivery volume from the emitters in Japan at the start of operation) in Sarawak by the 2030s.

September 5, 2024 JOGMEC



Advanced Efforts for Commercialization of CCS - JOGMEC selects Nine projects as Japanese Advanced CCS Projects -
https://www.jogmec.go.jp/english/news/release/news_10_00072.html

CCS Commercialization Efforts Overseas

We are accumulating knowledge through early business entry in systematically advanced countries in regions such as North America and Europe, where systems and market environments for implementing CCS/CCUS as a business are already well established. Equipped with this experience, we are also exploring the feasibility of CCS projects in emerging countries in Southeast Asia and other regions where systems for CCS business are still under development.

In the U.S., a systematically advanced country, we have taken a stake in BSO, which is pursuing a project including CCS in southwestern Wyoming in the Dry Piney area. The goal of this project is to develop wells that can produce natural gas, helium, and CO₂ simultaneously. The CO₂ will be separated, captured, and then reinjected underground. Our goal is to make a FID by the end of FY 2025 in order to commercialize our first project in a systematically advanced country.

At the Sukowati Oil Field in Indonesia, we started a CO₂ injection test in October 2024. This test is conducted jointly by Pertamina, PEP, and JOGMEC to help verify the effects of CO₂-EOR and CO₂ storage.

We have also entered into a joint study agreement with Marubeni, Pertamina, and PHE to conduct a feasibility assessment on BECCS in South Sumatra, Indonesia.

Initiatives to Support Value Creation

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Sustainability Management

—Core CSR Themes “SHINE” and Materiality—

Basic Concept

With a mission to provide a stable supply of energy, JAPEX believes that our business activities themselves are a form of CSR. Under this recognition, we have been promoting sustainability activities to aim at both solving social issues toward the realization of a sustainable society and enhancing our corporate value in the medium- to long-term.



Sustainability Management

<https://www.japex.co.jp/en/sustainability/management/>

Core CSR Themes “SHINE” and Materiality

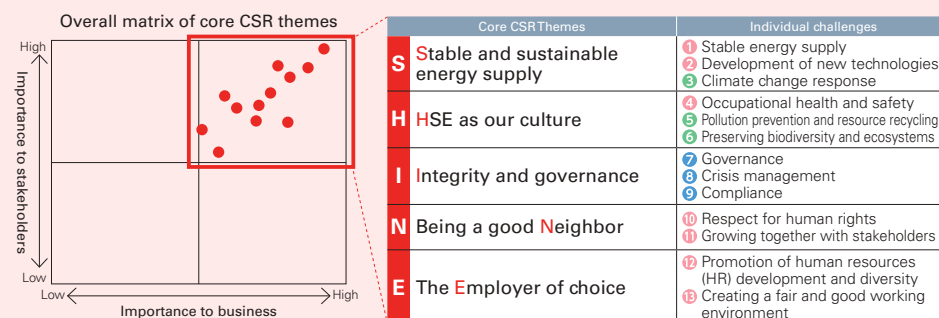
We promote sustainability under two pillars: core CSR themes “SHINE” and materiality. The SHINE, established in 2014, focuses on building relationships of trust with stakeholders, and the material issues identified in 2023 are centered on creation of business value linked to the Management Plan. Such an approach holds significance in achieving both long-term social responsibility and medium-term improvement of corporate value.

Themes focused on building relationships of trust with stakeholders

Core CSR Themes “SHINE” P.41 ➡

At the JAPEX Group including its subsidiaries and associates, we focus on CSR in execution of business. Under this concept, we have identified five core CSR themes “SHINE” and individual challenges in 2014 to respond to expectations and requests from stakeholders and grow as a trusted global company.

- Focused on building relationships of trust with stakeholders
- Composed of five core themes and 13 individual challenges (“Respect for human rights” added to individual challenges in FY2025)
- Individual challenges regularly reviewed as needed based on changes in society and its demands



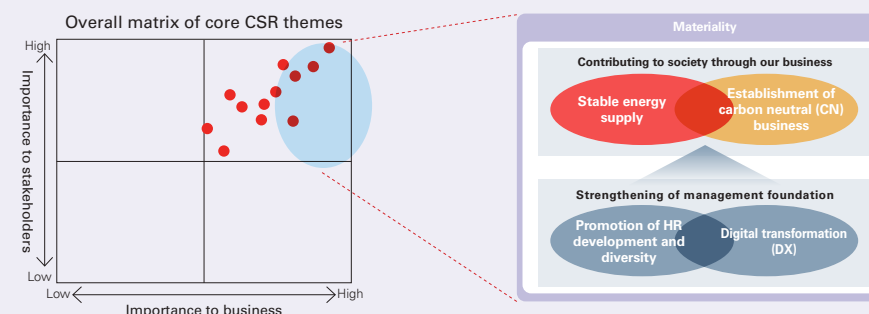
Challenges that should be particularly addressed now to achieve JAPEX's sustainable growth among the core CSR themes

Materiality P.42 ➡

Under the basic concept of sustainability management, we have identified our material issues in 2023 as what connects core CSR themes “SHINE” and “JAPEX Management Plan 2022–2030” established in 2022.

- Focused on value creation through business
- Identified challenges that should be particularly addressed to achieve JAPEX's sustainable growth among the core CSR themes
- Placing an emphasis on cooperation with the Management Plan 2022–2030

We identified individual challenges that we judged to be highly important for business, as material issues to achieve the Management Plan. These are challenges that should be particularly addressed now to achieve JAPEX's sustainable growth.



Sustainability Management Promotion System

The Sustainability Committee chaired by the Representative Director and President has been established to deliberate medium- to long-term business issues and relevant sustainability matters. The Committee meets more than ten times a year. Matters deliberated are reported to the Board of Directors as needed, and important matters are resolved at the Board of Directors. The status of sustainability activities is also reported to the Board of Directors annually.

Action plans for the core CSR themes and the material issues are established and reviewed every year on a company-wide basis, and disclosed upon deliberation at the Committee in the Integrated Report and as the CSR Action Plan. We place managers and personnel responsible for sustainability in each department and cooperate for the formulation of the action plans and the disclosure of information.

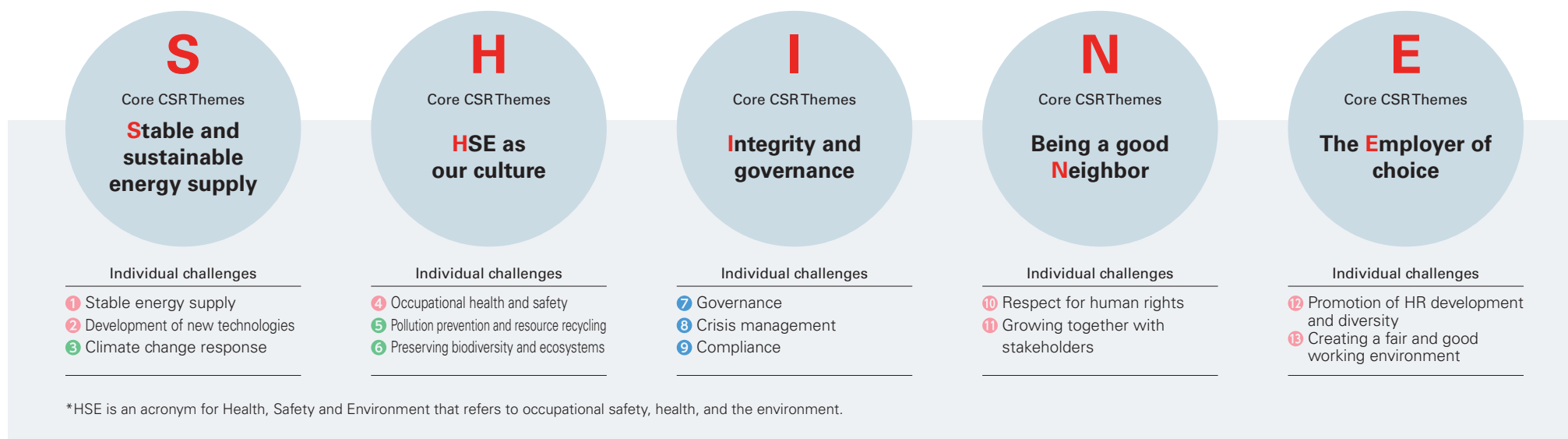
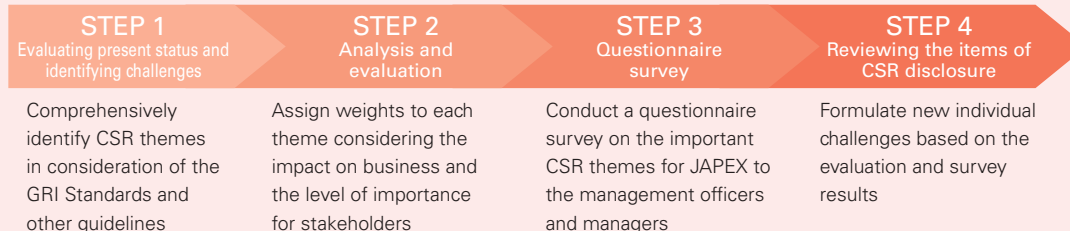
Primary Items to Be Deliberated by the Sustainability Committee

- Establishment and review of a management plan
- Basic policies related to sustainability, including the Code of Ethics and Conduct
- Important environmental, social, and governance (ESG) issues
- Establishment and review of core CSR themes and CSR action plans
- Disclosure of sustainability information to outside the Company, such as in the Integrated Report

Core CSR Themes “SHINE”

We identified five core CSR themes “SHINE” in 2014 based on dialogue with and opinions of stakeholders. The core CSR themes refer to themes that are important for carrying out business activities in the medium to long term while responding to expectations and requests from stakeholders. With a mission to provide a stable energy supply, we formulated them under the belief that our business activities themselves are a form of CSR. The “SHINE” consists of five themes, and multiple individual challenges are set for each theme.

Process for identifying the core CSR themes



Identifying the Materiality

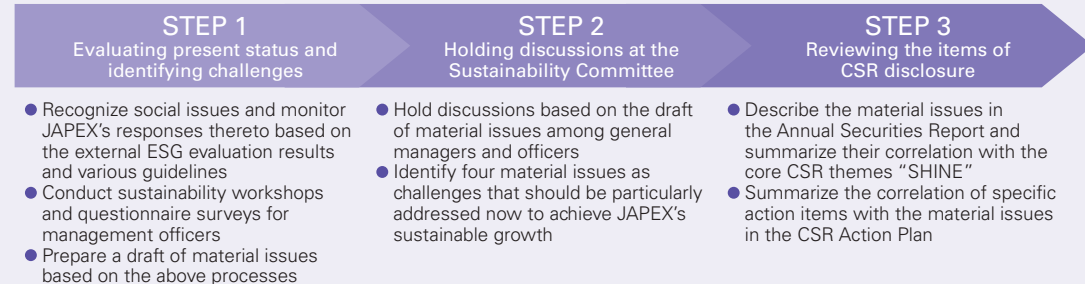
- “Stable energy supply” corresponds to matters related to development of oil and natural gas that are covered by the individual challenge ①.
- “Establishment of CN business” corresponds to matters related to CCS/CCUS that are covered by the individual challenges ② and ③.
- “Promotion of HR development and diversity” corresponds to development of human resources, diversity and matters related thereto that are covered by the individual challenges ⑫ and ⑬.
- “Digital transformation (DX)” corresponds to all individual challenges of SHINE, but to the individual challenges of ① and ⑬ with respect to specific stated goals.

Colors used for the individual challenges correspond to each of ESG.

Materiality

The material issues identified in 2023 plays the role of connecting the “SHINE” and “JAPEX Management Plan 2022–2030,” which were established in 2014 and 2022, respectively. These are challenges that are identified among the core CSR themes to be particularly addressed to achieve JAPEX's sustainable growth, and they are centered on value creation through our business. The material issues places an emphasis on cooperation with the Management Plan 2022–2030 and has more strategic aspects.

Process for identifying the Materiality



Overview of the Materiality and Actions

Contributing to society through our business	Stable energy supply	- We consider that oil and natural gas will continue to be indispensable energy sources for society even in a carbon-neutral society by 2050 - Based on this consideration, we will continue to work for stable energy supply through oil and natural gas development
	Establishment of carbon-neutral (CN) business	In order to realize a stable energy supply even in the future, we will contribute to the carbon-neutral society by establishing CCS and others as our business
Strengthening of management foundation	Promotion of HR development and diversity	- We consider that human resources (HR) are an origin of the value creation and an essential for the realization of the Management Plan - Based on this consideration, we will enhance the ability of each employee for value creation through HR development and strengthen the company-wide capabilities through diversity promotion
	Digital transformation (DX)	We will realize the working environment for added-value businesses through the strategic utilization of data and digital technologies and make continuous challenges for further increasing our corporate value

Targets and measures in FY2024

Promotion of E&P toward stable supply of oil and natural gas
- Promote the development of technologies to realize the early practical application of CCS/CCUS - Promote CCS/CCUS feasibility studies in Japan and overseas
- Targets based on the DE&I policy - Percentage of female new-graduates hired: 30% or more - Percentage of mid-career hires to total hires: 50% or more - Number of female managers: 25 or more (by the end of FY2025) - Percentage of mid-career hires in management positions: Maintain 20% or more (by the end of FY2025) - Percentage of male employees taking childcare leave: 80% or more (until the end of FY2025) - Introduction of the new human resources system - Promote reskilling and skilling programs (promote DX education, JAPEX UNIVERSITY as a learning platform, etc.)
- Promote DX based on business challenges - Improve office environment

Sustainability Management

—CSR Action Plan—

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CSR Activities' Action Plans, Targets, and Achievements

<https://www.japex.co.jp/en/sustainability/management/materiality/>

Main Targets and Achievements in FY 2024

Core CSR themes	ESG	Individual challenges	FY 2024 action plans and targets	FY 2024 achievements	Materiality	SDGs
S Stable and Sustainable Energy Supply	E S	1 Stable energy supply 2 Development of new technologies 3 Climate change response	Promote E&P business	Acquired additional well interests in the U.S. tight oil development project; continued agile efforts to acquire projects in Norway by making J Norge a consolidated subsidiary; continued efforts through additional development to achieve 230,000 barrels per day in the Garraf Oil Field in Iraq; newly established Peoria Resources LLC for the purpose of acquiring and managing operator assets in the U.S. E&P business through the U.S. subsidiary JAPEX (U.S.) Corp. (JUS); decided to conduct an exploratory drilling survey in the offshore Hidaka area in Hokkaido	• Stable energy supply • Establishment of CN business • DX	7 Affordable and Clean Energy 9 Industry, Innovation and Infrastructure 13 Climate Action
			Promote DX based on business challenges	Formulated a DX promotion roadmap to promote three initiatives for strengthening the DX promotion system, building an integrated database, and providing advanced digital training		
			Promote commercialization studies on CCS/CCUS in Japan and overseas	Overseas • Signed a joint study agreement to conduct inter-well CO ₂ injection test at the Sukowati Oil Field in Indonesia • Signed a joint study agreement for feasibility assessment on BECCS in South Sumatra, Indonesia • Commenced inter-well CO ₂ injection test at the Sukowati Oil Field in Indonesia Domestic (including some overseas projects) • Commissioned to undertake three survey projects for the publicly solicited "Engineering Design Work for Advanced CCS Projects" for FY2024 by JOGMEC: Higashi-Niigata area, Niigata Prefecture (September 2024); Sarawak, Malaysia (September 2024); Tomakomai area, Hokkaido (October 2024)		
			Achieve our GHG emission intensity target (Scope 1 + 2) of 3.26 ton-CO ₂ /TJ based on JAPEX2050	GHG emission intensity: 3.11 ton-CO ₂ /TJ (down 22% from FY 2019)		
H HSE as Our Culture	E S	4 Occupational health and safety 5 Pollution prevention and resource recycling 6 Preserving biodiversity and ecosystems	Promote efforts to achieve zero occupational injuries	LTIF*1: 0.29 (up 0.01 from the previous fiscal year) TRIR*2: 1.45 (down 1.08 from the previous fiscal year)	—	6 Clean Water and Sanitation 12 Responsible Consumption and Production 15 Life on Land
			Continue KEI's efforts in Indonesia to earn the Blue ranking in the Program for Pollution Control, Evaluation and Rating (PROPER)*3	Earned the Green Rank, higher than the Blue Rank, by continuing environmental activities		
			Reduce negative impacts	In line with the TNFD*4 framework, conducted LEAP analysis*5 and quantified risks related to nature		
I Integrity and Governance	G	7 Governance 8 Crisis management 9 Compliance	Strengthen our corporate governance system	Held a seminar for management officers and provided training for newly appointed Executive Officers (themed on corporate governance, roundtable with Outside Directors, generative AI, and biodiversity)	—	10 Reduced Inequalities 16 Peace, Justice and Strong Institutions
			Strengthen cybersecurity	• Conducted measures to comply with the Cybersecurity Management Guidelines published by the Ministry of Economy, Trade and Industry/Information-technology Promotion Agency, Japan • Formulated the CSIRT Management Standards for establishment of Computer Security Incident Response Team (CSIRT) to respond promptly to cybersecurity incidents		
			Ensure thorough compliance	Insider trading and bribery cases: 0		
N Being a Good Neighbor	S	10 Respect for human rights 11 Growing together with stakeholders	Promote efforts to respect human rights	Conducted human rights due diligence (on overseas Group companies and Transaction Partners); completed preparations for setting up an external reporting contact point (begin operation in April 2025) Provided a harassment training session (for officers and managers equivalent to general managers)	—	4 Quality Education 9 Industry, Innovation and Infrastructure 17 Partnerships for the Goals
			Make contributions to local communities and engage in social activities in our domestic and overseas operating areas	Overseas projects • Garraf: Constructed and repaired facilities at educational facilities, conducted an education campaign in elementary schools, distributed food items at local events, donated equipment, etc. to medical institutions Domestic operating areas • Held on-site tours for local parties concerned, participated in community events, ensured safety for children commuting to school, volunteered to stand guard, sponsored advertisements, made donations, etc.		
			Promote supply chain management	Conducted human rights due diligence on transaction partners; ensured and created a fair trading and competitive environment		
			Promote constructive dialogue with stakeholders	Provided information to the Tokyo Stock Exchange and the press in a timely and appropriate manner and produced and distributed publications Maintained and created opportunities for dialogue, including IR site tours for securities analysts and institutional investors and IR briefings for individual investors		
E The Employer of Choice	S	12 Promotion of HR development and diversity 13 Creating a fair and good working environment	Achieve targets based on the DE&I policy	Percentage of female new-graduates hired: 33.3%; percentage of mid-career hires to total hires: 51.5%; number of female managers: 19 Percentage of mid-career hires in management positions: 27.1%; percentage of male employees taking childcare leave: 100.0%	• Promotion of HR development and diversity • DX	8 Decent Work and Economic Growth 5 Gender Equality
			Strengthen human capital management	Introduced new educational programs (introduced training related to five business skills) Held professional education to technical employees (78 times a year)		
			Promote the creation of a good working environment	Introduced a new human resources system; conducted an employee engagement survey (improved in total score results from the previous fiscal year) Tried the introduction of an internal dual role with the aim of career development		
			Promote health management	Selected as one of the "KENKO Investment for Health Stock Selection 2025" companies; Recognized as a "White 500" enterprise under the Certified "KENKO Investment for Health" Outstanding Organizations program; Certified as a "Sports Yell Company 2025"		

*1 Lost Time Injury Frequency: Calculated as the number of lost time injuries per 1,000,000 work hours.

*2 Total Recordable Injury Rate: Calculated as the number of total recordable injuries per 1,000,000 work hours.

*3 PROPER is a rating program by the Indonesian Ministry of Environment to evaluate companies' environmental measures and environmental regulation compliance. Ranked from the highest rating of gold to green, blue, red, and black.

*4 International organization established to develop frameworks that help companies assess and disclose risks and opportunities related to natural capital and biodiversity.

*5 Comprehensive evaluation process to identify risks and opportunities related to nature in business areas (Locate, Evaluate, Assess, Prepare).

Sustainability Management

—CSR Action Plan—

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CSR Activities' Action Plans, Targets, and Achievements

<https://www.japex.co.jp/en/sustainability/management/materiality/>

Targets in FY 2025

Core CSR themes	ESG	Individual challenges	FY 2025 action plans and targets
S Stable and Sustainable Energy Supply	E S	① Stable Energy Supply	- Promote the E&P Business toward stable supply of oil and natural gas - Promote the I/U Business toward stable supply of natural gas and electricity - Promote DX based on business challenges
		② Development of new technologies	- Promote the development of technologies to realize the early practical application of CCS/CCUS - Pursue well stimulation technologies for tight reservoir development projects in Japan (including Akita tight oil) through joint research with JOGMEC - Continue measures toward commercialization of methane hydrate - Continue efforts to develop deep-sea mineral resources through new Horizon Ocean Research & Technology Co., Ltd.
		③ Climate change response	- Promote commercialization studies on CCS/CCUS in Japan and overseas - Achieve GHG emission intensity target (Scope 1 + 2) of 3.14 ton-CO₂/TJ based on JAPEx2050 - Reduce emissions to achieve the GHG emission reduction target set by the Japan Energy Resources Development Association based on the Japan Business Federation's Carbon Neutrality Action Plan - Scale up the renewable energy business - Contribute to a low-carbon society by promoting the use of natural gas
H HSE as Our Culture	E S	④ Occupational health and safety	- Promote initiatives based on the Medium-term HSE Plan - Promote efforts to achieve zero occupational injuries
		⑤ Pollution prevention and resource recycling	- Continue measures to maintain a 45% reduction in VOC* emissions compared to the base year (FY2000) - Promote efforts to reduce water consumption - Promote efforts to reduce waste
		⑥ Preserving biodiversity and ecosystems	- Continue efforts in creating positive impacts in protected areas - Continue efforts to reduce negative impacts at business locations and their surrounding areas

* Volatile organic compounds.

Core CSR themes	ESG	Individual challenges	FY 2025 action plans and targets
I Integrity and Governance	G	⑦ Governance	- Strengthen our corporate governance system - Promote the Enterprise Risk Management (ERM) Framework - Strengthen information security and promote personal information protection
		⑧ Crisis management	- Continue to strengthen the Business Continuity Plan (BCP) - Maintain and enhance disaster prevention capabilities (improvement and enhancement of emergency response capabilities) - Strengthen cybersecurity - Continue overseas security response
		⑨ Compliance	Ensure thorough compliance
N Being a Good Neighbor	S	⑩ Respect for human rights	- Conduct human rights due diligence - Make contributions to local communities and engage in social activities in our domestic and overseas operating areas
		⑪ Growing together with stakeholders	- Promote supply chain management - Promote constructive dialogue with stakeholders
E The Employer of Choice	S	⑫ Promotion of HR development and diversity	- Promote diversity, equity, and inclusion (DE&I) - Achieve targets based on the DE&I policy - Percentage of female new-graduates hired: 30% or more - Percentage of mid-career hires to total hires: 50% or more - Number of female managers: 25 or more (by the end of FY2025) - Percentage of mid-career hires in management positions: Maintain 20% or more (until the end of FY2025) - Percentage of male employees taking childcare leave: 80% or more (by the end of FY2025) - Build human resource development system to strengthen human capital management
		⑬ Creating a fair and good working environment	- Promote the creation of a good working environment - Promote health management - Improve office environment

Sustainability Management

—Participation in Initiatives—

UN Global Compact

JAPEX has participated in the UN Global Compact (UNGC) since 2020 and has been taking measures related to 10 principles in four areas of the UNGC covering human rights, labour, environment, and anti-corruption. We also participate in subcommittees of the Global Compact Network Japan (GCNJ), which mainly comprises Japanese companies that have signed the UNGC. Through this activity, we work on further implementing the 10 principles by interacting with other companies while deepening practical knowledge and awareness of issues.



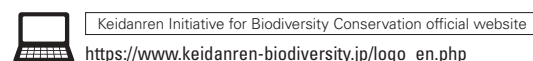
Declaration of Partnership Building

JAPEX announced the Declaration of Partnership Building in fiscal 2021. We endorse the purpose of the Council on Promoting Partnership Building for Cultivating the Future, whose members consist of Chairman of the Japan Business Federation; Chairman of the Japan Chamber of Commerce and Industry; President of the Japanese Trade Union Confederation (RENGO), and relevant Ministers (Cabinet Office; Ministry of Economy, Trade and Industry; Ministry of Health, Labour and Welfare; Ministry of Agriculture, Forestry and Fisheries; and Ministry of Land, Infrastructure, Transport and Tourism), and will collaborate, co-exist, and co-prosper with our supply chain transaction partners.



Keidanren Initiative for Biodiversity Declaration

We approved the aim of the Keidanren Declaration for Biodiversity and Guideline and declared participation in the Keidanren Initiative for Biodiversity Declaration in August 2025. The Declaration was established by Japan Business Federation and Keidanren Nature Conservation Council, and we will promote efforts for conservation of biodiversity based on its aim.



GX League

The GX* League was established based on the GX League Basic Concept announced by the Ministry of Economy, Trade and Industry in February 2022 as a forum for companies actively engaged in green transformation (GX) activities to work together with players from government, academia (universities, etc.), and financial institutions which are taking on challenges toward GX to discuss, as a unit, the transformation of the entire economic and social system, and to take the lead in the creation of new markets.



As the GX League's objective is consistent with the JAPEX2050, we have declared our participation in the GX League in 2023, following the declaration of our endorsement in 2022. We will work to contribute to realizing a carbon-neutral society in cooperation with the endorsing companies, the government, and other institutions through the GX League.



* Transformation of the entire economic and social system to realize a carbon-neutral society (green transformation).

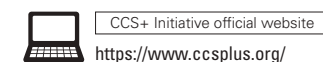
Global CCS Institute

In May 2022, JAPEX joined the Global CCS Institute (GCCSI), an international think tank whose mission is to accelerate the deployment of carbon capture and storage (CCS) globally. GCCSI's membership includes governments, private companies, and research bodies. GCCSI shares expertise and data regarding CCS. By utilizing insights and membership networks obtained through GCCSI, we will further advance our efforts regarding CCS/CCUS.



CCS+ Initiative

In June 2022, JAPEX joined CCS+ Initiative (CCS+), which is an international platform aiming to scale up CCS, CCU (carbon dioxide capture and utilization), and CDR (carbon dioxide removal) projects. By developing carbon accounting methodologies for each phase of CO₂ capture, transport, and storage, CCS+ aims for the accurate and separate measurement of CO₂ reduction and removals in diverse CCS projects and the monetization of such projects. Through the participation in CCS+, we will strive to contribute to realizing a net zero society by establishing methodologies to generate carbon credits from CCS/CCUS.





YAMASHITA Yukari
Outside Director

KITAI Kumiko
Outside Director

SUGIYAMA Yoshikuni
Outside Director

Operations of the Board of Directors

We are working to improve the effectiveness of the Board of Directors. In fiscal 2024, we began holding sessions between Outside Directors and the Chairman and President to discuss specific topics selected for each session. We also changed the Articles of Incorporation to allow the Chairman to serve as the Chair of the Board of Directors, which previously served by the President. What are your impressions of how the JAPEX Board of Directors is run?

Sugiyama For the five independent Outside Directors, you have Ms. Kitai, a lawyer specializing in labor matters, Ms. Yamashita, an energy professional, Mr. Wada, a former public prosecutor well-versed in compliance, and me, along with one other individual involved in corporate management. Together, we cover a broad array of expertise, something you'd rarely find in other companies' boards. This diversity allows us to discuss a wide range of matters, including business risks, and the board discussions have become more active.

Kitai I have a similar impression to that of Mr. Sugiyama regarding the effectiveness of board deliberations; board meetings over the past year have featured animated exchanges of views. I also appreciate that, when the company changed its President in 2024, the Chairman took over as Chair of the

Board Meetings and the President joined us, Outside Directors, to exchange views, actively share his own opinions. Under this framework, the quality of the discussions at board meetings will continue to improve further.

Yamashita The company has increased the frequency of Outside Officer Liaison meetings, giving us Outside Officers a more detailed grasp of important business issues. That has contributed to the lively discussions at board meetings we have today. Likewise, the discussion sessions we have with the Chairman and President prime us ahead of board meetings. It's a really great initiative. Depending on the matters to discuss, Executive Officers sometimes attend the meetings to deliver a briefing. Whenever we have the opportunity to narrow the distance with the management and hear their views, we gain valuable background insights that help us when speaking up during board meetings.

Sugiyama We have scarce opportunities at the board meetings themselves to delve into the background of an agenda item. Likewise, board meetings offer us little chance to question the top management's underlying thinking and assumptions. Amidst this, the discussion sessions where we can freely

exchange opinions with the Chairman and President have become invaluable opportunities. Although we have only had a few sessions so far, there are aspects of the operation of the executive team that we ourselves have not yet fully grasped. We therefore hope that this will continue to be expanded as a means to aid our understanding.

Kitai Ms. Yamashita, you mentioned the Outside Officer Liaison meetings. What I really appreciate about these meetings is that Executive Officers or Director candidates attend the meetings, give us a chance to ask them frank questions, and answer our questions in plain, relatable language. On occasion, our discussions go quite deep. These deep dives, as well as helping us understand the issue better, give the attending employees a chance to refine their presentation and communication skills. The ability to communicate specialized knowledge in clear and accessible language to people without specialized knowledge is a crucial skill for management.

In April 2025, the Ministry of Economy, Trade and Industry (METI) published the Five Principles for Board of Directors to Enhance "Growth Power" and related guidance. About the Principle 5 "Ensuring Effectiveness in Nomination and Compensation," in particular, what do you think about the current status of the company's Nomination and Compensation Committee?

Sugiyama Many companies have embraced METI's Five Principles, but the reality is that their practices involve plenty of trial and error, so there are no clear answers. JAPEX, for one, must commit to successor development and the appointment of management candidates, but you'd be hard-pressed to find a definitive criterion by which to judge a person's aptitude for leadership. The executive teams, with their awareness of the company's operations, have a key role to play in selecting officer candidates. Our role as Outside Directors is to familiarize ourselves with the executive team's plan and then offer feedback and constructive suggestions on how best to proceed.

Yamashita In my early days as a member of the Nomination and Compensation Committee, we had only the most perfunctory briefings on each candidate's career background and attributes. This situation changed dramatically in fiscal 2023. The company began disclosing the rulemaking and processes followed in the run-up to a person's selection as a candidate. Additionally, Outside Officers who are not members of the Nomination and Compensation Committee are invited to meetings to scrutinize the reasons for a candidature. In these ways, the company has made steady progress in this matter.

Kitai When selecting a candidate for Executive Officer, the

Integrity and Governance

—Messages from the Newly Appointed Outside Officers—

executive team provided us with detailed explanations of the process and criteria they followed in making the selection, such that I now understand that the company has a methodical plan in its candidate selections. I have seen before my very eyes the Nomination and Compensation Committee make palpable progress in the past year. One thing the committee still needs to do is to work out how far it can go with a visualization of its rules, criteria, and conditions for selecting Executive Officer candidates.

Reviewing President Yamashita's first year as President

President Yamashita, JAPEX's first President who worked his way up from the bottom, has reached the end of his first year in office. How do you view the management movement in the past year?

Sugiyama As our first internally promoted president, following a history of external hires, President Yamashita has deep business knowledge built on his long and distinguished career, making him highly qualified to lead the company. On the other hand, his strong sense of continuity with past practices may make it more difficult for him to take bold, transformative decisions. Having completed his first year, he now enters a phase where his leadership skills will be further tested. One key challenge will be managing investor relations; he will need to prove himself in communicating and engaging with investors effectively. JAPEX operates primarily in the BtoB sector and has limited experience in consumer-facing PR. In the interests of attracting talent and individual shareholders, the President should make active efforts to convey what the company is doing to ensure Japan's energy security.

Yamashita After the Canada projects were terminated, the company changed massively. For one, the company has quickened its pace and launched a flurry of new actions. Amidst this, I have the impression that President Yamashita, without slowing the pace of management, has been taking a series of



SUGIYAMA
Yoshikuni
Outside Director

KITAI
Kumiko
Outside Director



actions to meet the expectations of the capital markets—such as stock splits and the sale of strategic shares—right from the start of his tenure. I believe this is likely the effect of President Yamashita's background in accounting knowledge. Furthermore, his management decisions are made based on various company data, and I believe the company is being managed with a sense of stability. While he tends to be cautious in decision-making, I feel reassured by how his judgments are grounded in his experiences at JAPEX and in data-driven analysis.

Kitai I would echo Mr. Sugiyama and Ms. Yamashita's assessment by saying that President Yamashita is a truly steady, and reassuring leader. In that sense, his first year has been a solid one. When he spoke about his trip to Iraq on "President's Channel," which is shared with employees, he was frank in his descriptions and displayed a calm disposition, conveying a sense of fulfilment despite the difficult nature of the project. In this way, he delivered an inspiring message to employees. The communication skills of top management are also extremely important for investor relations, so I would like to support President Yamashita further as he takes the lead in communicating.

Direction and expectations for enhancing JAPEX's corporate value

JAPEX is now halfway through the JAPEX Management Plan 2022–2030. What do you think about the company's efforts to increase its corporate value?

Sugiyama I appreciate that JAPEX has responded to investors' requests, such as stock splits and share buybacks. However, besides these one-off actions, the company needs to demonstrate its commitment to sustaining business growth and improving shareholder value. It's a little early to talk about the next management plan, but I would say that the key to future success is to develop overseas businesses and bolster

the workforce. When it comes to overseas strategy in particular, President Yamashita should set out a basic policy and establish the corresponding organizational structure. Doing so will meet investor expectations and contribute to enhancing JAPEX's corporate value.

Kitai No matter how detailed a strategy and target may be, it ultimately requires "human beings" to accomplish the work. Therefore, strengthening human capital strategy is an urgent priority. Fortunately, the company has highly talented human resources, transcending gender. Accordingly, the top management should give a strong message clarifying its future direction and vision so that employees can envision their own futures. By doing so, we can create an environment where each employee can more easily consider their own career path. Furthermore, in expanding our overseas businesses, I would like to see the company take a multifaceted approach—such as hiring local talent who can hit the ground running—and achieve results with a sense of speed.

Yamashita CCS technology is essential for achieving carbon neutrality, and it is highly meaningful that JAPEX possesses this technology and is engaged in multiple advanced CCS projects. Furthermore, in the 7th Strategic Energy Plan, natural gas is once again drawing attention as it anticipates the continued thermal energy demand from industries where electrification is difficult. Given this situation, I believe it is important for the company to strengthen the system as an operator and acquire natural gas assets over the medium to long term in order to reliably capture natural gas demand. By possessing CCS technology and building further achievements in E&P, I expect that the company will grow while playing a sustainable role in supporting a stable energy supply toward achieving carbon neutrality.



YAMASHITA
Yukari
Outside Director

Integrity and Governance

—Corporate Governance—

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Basic Concept

JAPEX recognizes contributing to society through a stable supply of energy as its mission and helping to realize the sustainable development goals by addressing social issues as its Corporate Vision. To achieve its Corporate Vision and maximize its corporate value from both the medium- and long-term perspectives, it is necessary to ensure efficient and transparent corporate management and build relationships of mutual trust with stakeholders, including shareholders, by fulfilling its accountability. Therefore, sound corporate governance, which is foundational to JAPEX, is one of its most important challenges.



Corporate Governance

<https://www.japex.co.jp/en/sustainability/governance/cg/>



Corporate Governance Report

https://www.japex.co.jp/en/sustainability/uploads/pdf/JAPEX_CGreport_e.pdf

Initiatives to Strengthen Corporate Governance

2015 to 2018

- Increased the number of Outside Directors (1→2) (in 2015)
- Increased the number of Outside Directors (2→3) (in 2016)
- Began evaluating the effectiveness of the Board of Directors (in 2017)
- Reformed the executive officer system (in 2018)

2019

- Established the Nomination and Compensation Committee
- Amended the Code of Conduct to establish the Code of Ethics and Conduct
- Changed the title and composition of the Executive Committee

2020

- Increased the number of Outside Directors (3→4)
- Raised the ratio of Outside Directors to more than one-third
- Shortened the term of office of Directors from two years to one year
- Introduced a performance-linked share-based compensation plan

2021

- Established the Sustainability Committee and the Risk Management Committee

2022

- Increased the number of female Directors (1→2)
- Increased the number of Outside Directors (4→5)
- Linked officers' compensation to responses to climate change

2023 to 2024

- Amended the decision-making standard of the Board of Directors (in 2023)
- Amended the Articles of Incorporation to enable the appointment of a Chair of the Board of Directors other than the President (in 2024)
- Appointed an independent Outside Director as a Chair of the Nomination and Compensation Committee (in 2024)

Governance Structure

Overview of JAPEX's Governance Structure

- Company with an audit & supervisory board
- Introduced an Executive Officer System to clarify the business execution system
- All Outside Directors and Audit & Supervisory Board Members who fulfill independent officer qualifications are designated as independent officers
- The ratio of Outside Directors is one-third or more, the ratio of Outside Audit & Supervisory Board Members is half or more
- Held the Outside Officer Liaison Meeting as a place to provide explanations to, provide information to, and exchange information with outside officers in advance of the Board of Directors' proposals

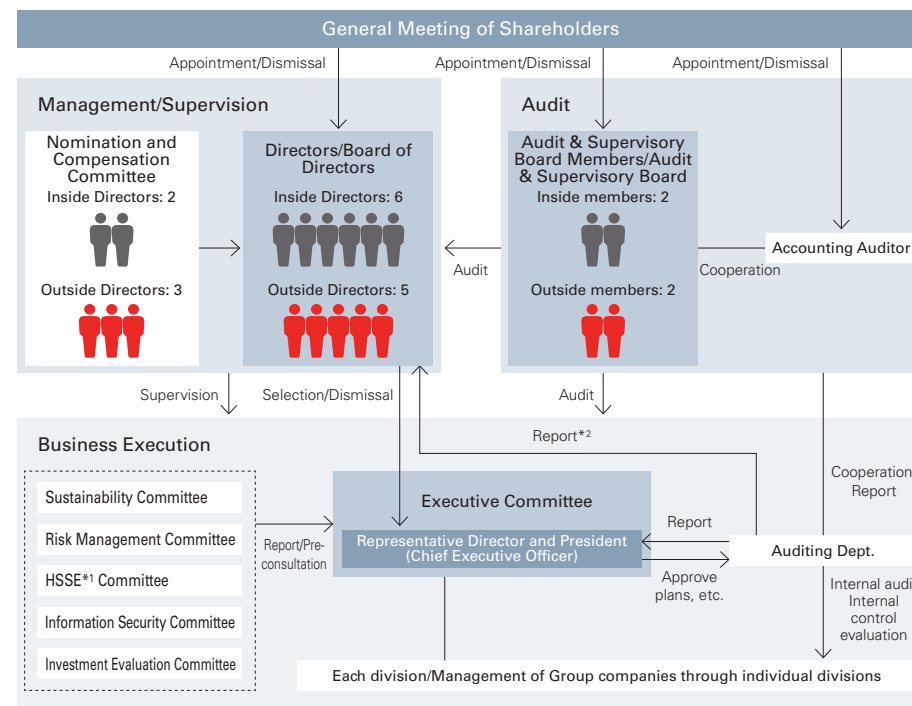
JAPEX has adopted a governance structure of a company with an audit & supervisory board and introduced an Executive Officer System to clarify the business execution system. Under this structure, Directors or Executive Officers, who are appointed and assigned duties by the Representative Directors and Board of Directors, serve as JAPEX's operating officers. The Board of Directors and Audit & Supervisory Board Members (along with the Audit & Supervisory Board that is comprised of all Audit & Supervisory Board Members) assume the role of supervising the execution of their duties. In addition, JAPEX appointed a suitable number of insightful and independent Outside Directors and Outside Audit & Supervisory Board Members to strengthen the supervisory functions of the Board of Directors. We actively listen to their opinions and advice on meeting agenda and deliberations, which are highly independent from management and are essential to invigorate discussions at the Board of Directors' meeting. We believe that our governance structure, where independent Outside Directors and Outside Audit & Supervisory Board Members provide opinions and supervise management by operating officers, sufficiently ensures objective and appropriate decision-making.

Governance Structure Data

Maximum number of Directors prescribed in Articles of Incorporation	18 persons
Term of office for Directors	1 year
Number of Directors	11 persons
Number (ratio) of independent Outside Directors	5 persons (45.5%)
Number (ratio) of female Directors	2 persons (18.2%)

Maximum number of Audit & Supervisory Board Members prescribed in Articles of Incorporation	4 persons
Term of office for Audit & Supervisory Board Members	4 years
Number of Audit & Supervisory Board Members	4 persons
Number of Outside Audit & Supervisory Board Members	2 persons
Number of members of Nomination and Compensation Committee	5 persons (including 3 Outside Directors)

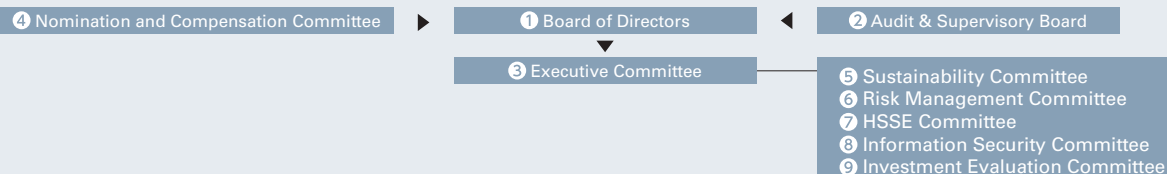
Corporate Governance Structure (As of July 1, 2025)



*1 An acronym for Health, Safety, Security, and Environment that refers to occupational health, safety, environment, and overseas security.

*2 Clarify direct reporting from the Auditing Dept. to the Board of Directors in response to the revision of the internal control reporting system.

Overview of Boards and Committees (As of July 1, 2025)



1 Board of Directors

The Board of Directors discusses and makes decisions concerning important business execution as well as the exclusive prerogatives of the Board of Directors. It is regularly held once a month.

Chair	Composition	Number of meetings held in FY2024
Representative Director and Chairman FUJITA Masahiro	11 Directors including 5 Outside Directors, two of which are female 4 Audit & Supervisory Board Members	14
Key issues deliberated in FY2024		

Pursuant to the provisions of the Companies Act, the following matters were discussed: matters regarding the General Meeting of Shareholders, matters regarding the settlement of accounts, matters regarding officers, matters regarding participation in specific projects and loans to relevant subsidiaries, and so forth. In addition, the Board received reports of specific items for discussion, including the Management Plan, sustainability, IR, HSE, personnel strategies, DX, health management, and the whistle-blowing system, in addition to regular reports of the status of production and sale of gas and other energies in Japan and other projects, and then discussed matters such as the status of efforts.

2 Audit & Supervisory Board

The Audit & Supervisory Board supervises the Company's management and business execution by the Board of Directors. Its meetings are held once a month in principle

Chair	Composition	Number of meetings held in FY2024
Full-time Audit & Supervisory Board Member TAKAHATA Shinichi	4 Audit & Supervisory Board Members including 2 Outside Audit & Supervisory Board Members	12
Key issues deliberated in FY2024		

Eleven matters were resolved, which included audit plans of Audit & Supervisory Board Members (audit policies, the contents and methods of interim and year-end audits, and so forth), agreement on the selection of the Accounting Auditor and the determination of audit fees, and preparation of an audit report of Audit & Supervisory Board and notification of the contents thereof.

Thirty-five matters were reported, which included key audit matters reviewed, audit results, assessment results of the Accounting Auditor, and the audit progress as of the first and third quarters, semi-annual review results, and annual accounting audit results by the Accounting Auditor.

Two matters were deliberated and consulted upon, which included business reports and compensation for Audit & Supervisory Board Members.

3 Executive Committee

From the standpoint of accelerating the speed of decision-making, we hold the Executive Committee that is composed of internal Directors and some Executive Officers of JAPEX to make decisions on the matters not involved by the decision-making standard of the Board of Directors and to make a discussion to assist the decision-making in the Board of Directors. Its meetings are held twice a month in principle, with extraordinary meetings held as needed.

Chair	Composition	Number of meetings held in FY2024
Representative Director and President YAMASHITA Michiro	6 Directors 2 Audit & Supervisory Board Members	23
Key issues deliberated in FY2024		

Appropriateness of investing in new domestic and overseas projects, organizational changes and appropriateness of signing material contracts

4 Nomination and Compensation Committee

The Nomination and Compensation Committee discusses the procedures to make decisions concerning the nomination and compensation of Directors. It is organized under the Board of Directors, in order to further enhance the supervisory function of the Board of Directors.

Chair	Composition	Number of meetings held in FY2024
Outside Director YAMASHITA Yukari	5 Directors including 3 Outside Directors	4
Key issues deliberated in FY2024		

The committee discussed matters including appointment of candidates for Directors and Audit & Supervisory Board Members and appointment of Executive Officers, compensation and bonuses for Directors, the skill matrix, and plans for provision of shares to officers.

5 Sustainability Committee

The Sustainability Committee deliberates the Management Plan and ESG management.

Chair	Composition	Number of meetings held in FY2024
Representative Director and President YAMASHITA Michiro	5 Directors	13
Key issues deliberated in FY2024		

Progress in the Management Plan, human capital, CSR action plan targets and results, respect for human rights, and risks and opportunities related to natural capital, including climate change.

6 Risk Management Committee

The Risk Management Committee evaluates and manages various management risks from a cross-sectional perspective; monitors the progress of individual projects; formulates measures against challenges. It also deliberates on matters related to compliance violations.

Chair	Composition	Number of meetings held in FY2024
Representative Director and President YAMASHITA Michiro	6 Directors	4

Key issues deliberated in FY2024

Business and other risks (Revision of business risk evaluation)

7 HSSE Committee

Chair	Composition	Number of meetings held in FY2024
Executive Officer TAKAHASHI Toshihiro	1 Director	2

Key issues deliberated in FY2024

Review of the HSE plan for FY2024 and Medium-term HSE Plan for FY2023, etc.

8 Information Security Committee

Deliberation of issues related to Information Security.

Chair	Composition	Number of meetings held in FY2024
Director and Senior Managing Executive Officer NAKAJIMA Toshiaki	4 Directors	1

Key issues deliberated in FY2024

Revision of the Information Security Policy and related matters

9 Investment Evaluation Committee

Verification of risks and appropriateness of investments in important projects.

Chair	Composition	Number of meetings held in FY2024
Director and Senior Managing Executive Officer NAKAJIMA Toshiaki	2 Directors	8

Key issues deliberated in FY2024

New investment projects in FY2024

Note: Regarding the composition of each committee or board, only Directors and Audit & Supervisory Board Members responsible for supervision are listed.

Evaluation of the Effectiveness of the Board of Directors

JAPEX analyzes and evaluates the effectiveness of the Board of Directors once every year with the aim of contributing to the maximization of our medium- to long-term corporate value by ascertaining and improving the effectiveness of the supervision of management by the Board of Directors. In previous years, the results of the effectiveness evaluation were reviewed based on a survey conducted in April at a Board of Directors meeting held in May. At the Board of Directors meeting held on May 21, 2025, the Board discussed revisions to the implementation method of the effectiveness evaluation, including the schedule. This discussion was based on the findings of the previous year's evaluation, which highlighted the need to consider how to establish a PDCA cycle incorporating quantitative evaluation, including its implementation method. Moving forward, we will develop a more systematic framework based on the revised implementation method and continue striving to enhance the Board's effectiveness.

Additional issues regarding the operation of the Board of Directors identified through the evaluation, along with the status of responses and specific initiatives, are as follows.

Matters to Be Examined/Considered

- Consideration of the structure and principles of materials based on the premise of paperless data sharing and review, as well as data sharing of materials of past meetings of the Board of Directors.
- Consideration of efforts for discussions with all outside officers on matters such as succession plans, executive compensation, and diversity.

Status and Specific Initiatives

- To facilitate the sharing of materials, preparations are underway to launch a dedicated website on the internal information-sharing platform.
- Discussions on the appointment policy for Executive Officers were held in the Nomination and Compensation Committee with the participation of all Outside Directors.
- As part of succession planning efforts, the Committee considered clarifying the requirements for executive officer candidates.

Strategic Shareholdings

JAPEX owns strategic shareholdings comprising shares of companies we have determined to be necessary to promote smooth business operations and to maintain good business relationships with the purpose of enhancing sustainable growth and medium- to long-term corporate value.

To ensure that these strategic shareholdings are reasonable, the Board of Directors assesses the validity of maintaining the holdings every year by conducting a qualitative evaluation related to the appropriateness of the purpose of owning the shares and a quantitative evaluation on whether the benefits and risks from each holding cover JAPEX's cost of capital.

Based on this assessment, regarding the shares we decided to continue owning, we disclose the purpose and number of shares held as specific investments in our Annual Securities Report.

If we determine that it has become less reasonable to own certain shares, we reduce the number of those shareholdings. Regarding the exercise of voting rights, we determine whether to vote in favor of or against proposals only after individually evaluating the appropriateness of each and comprehensively considering whether or not the proposals contribute to the purpose of owning the shares and the enhancement of medium- to long-term corporate value.

Trend of the JAPEX's Strategic Shareholdings

(1) Shares other than unlisted shares

	FY2020	FY2021	FY2022	FY2023	FY2024
Number of issues	4	4	4	4	4
Total balance sheet amount (Millions of yen)	84,088	79,327	76,530	129,734	58,387

(2) Unlisted shares

Number of issues	22	21	20	21	20
Total balance sheet amount (Millions of yen)	2,441	1,821	1,807	2,209	2,000

(1)+(2)

Total balance sheet amount of (1) and (2) (Millions of yen)	86,529	81,148	78,337	131,943	60,387
Percentage of strategic shareholdings to consolidated net assets	19.9%	20.1%	17.1%	24.5%	10.8%

Initiatives for Management Personnel Development

To expand the pool of management candidates, our officers select and train multiple successor candidates. Additionally, we provide ongoing training to develop selected employees in management positions through our management personnel development program.

There has been a change of Representative Director and President/Chief Executive Officer (the "President") at JAPEX in April 2024. When selecting the new President, the Nomination and Compensation Committee, which includes a majority of Outside Directors, deliberated on the proposal for the election. Based on the deliberations, the Board of Directors made the resolution.

To be appointed as President, a candidate must possess balanced qualities of leadership, ability to act, communication skills, understanding, and flexibility. Furthermore, when selecting the President, we comprehensively consider business performance, personality, knowledge, and the ability to drive the Management Plan. Moreover, we are taking into consideration the period between the appointment of the next President and the changeover, and provide support after the new President assumes his/her duties.

Compensation for Directors and Other Officers

1. Compensation for Directors

Compensation for Directors is determined based on the policy for determining the compensation of directors set by the Board of Directors after deliberation by the Nomination and Compensation Committee. The policy for determining the compensation of directors is outlined below.

Basic policy

- Regarding the compensation of JAPEx's Directors, the compensation structure can function as an incentive to sustainably enhance corporate value. When deciding the compensation for individual Directors, our basic policy is to set an appropriate level in consideration of the roles aligned with their position.
- Specifically, compensation for Directors (excluding Outside Directors) comprises base compensation and performance-linked compensation (bonuses and share-based compensation). Meanwhile, compensation for Outside Directors is only base compensation, considering their duty of supervising management.

Policy for base compensation (monetary compensation)

- Base compensation of JAPEx's Directors is fixed monthly monetary compensation and is decided in comprehensive consideration of their position, balance with market standard and employees' salaries, number of years of service, and more.

Policy for performance-linked, or non-monetary compensation

- Of performance-linked compensation, bonuses are paid at certain times every year based on consolidated net income as an indicator measuring their contribution to results for the corresponding fiscal year. Specifics are decided in comprehensive consideration of their position, dividends, the level of employee bonuses, their contribution of directors to corporate management in each fiscal year, past results, payment record, and more. Individual Director's contribution to JAPEx's management is measured based on the achievement of previously set annual goals and business plans (including GHG reduction target), human resource management, leadership, and execution ability, in addition to the aforementioned contribution to business performance.
- Of performance-linked compensation, share-based

compensation is based on the Rules on Provision of Shares to Officers approved by the Board of Directors within the limit approved at the General Meeting of Shareholders. JAPEx shares equivalent to the number of points provided in line with their positions and performance (using a total return ratio as a general rule as an indicator of performance evaluation based on JAPEx's recognition that returning profits to shareholders is an important management issue) and a monetary amount equivalent to the market price of said shares is provided as a general rule to Directors upon retirement.

At the 54th Ordinary General Meeting of the Shareholders held on June 26, 2024, a resolution was passed to revise the compensation framework. By this resolution, the maximum points given in a fiscal year was revised from 31,400 points (including 14,000 points for Directors) to 45,400 points (including 18,300 points for Directors).

Note: Pursuant to the Rules on Provision of Shares to Officers, JAPEx may forfeit part or all of the points granted to any Director, etc. as resolved at a meeting of the Board of Directors if such Director, etc. is dismissed or causes significant damage to JAPEx's or the Group's business due to his/her execution of duties (so-called malus clause).

Policy concerning the ratio of compensation

- We aim for the ratio of performance-linked compensation (bonuses and share-based compensation) to total compensation to be around 30% at standard amounts. To ensure the compensation system can better function as an incentive to sustainably enhance corporate value, we will consider revising the ratio as appropriate.

Matters on determination of compensation

- Regarding individual compensation, the Representative Director and President is entrusted with the specific details based on a resolution by the Board of Directors. That authority enables the allocation of bonuses based on each Director's base compensation and the Directors' contribution to corporate management. It also enables the setting of the specific timing of the payment.
- Calculation methods for base compensation and bonuses are deliberated in advance at the Nomination and Compensation Committee. The Representative Director and President must decide the method with respect to the results of the deliberations.

- The provision of points in share-based compensation is reported in advance to the Nomination and Compensation Committee.

2. Compensation for Audit & Supervisory Board Members

Compensation for Audit & Supervisory Board Members is determined after consulting with Audit & Supervisory Board Members, and within the limit approved at a General Meeting of Shareholders.

3. Targets and Actual Figures of Indicators Used for Performance-linked Compensation

Of performance-linked compensation, the specific target for the indicator used for bonuses (consolidated profit) has not currently been set, as our business performance is often affected by external factors such as fluctuations of crude oil and natural gas prices as well as foreign exchange rates, and therefore it is difficult to set an appropriate figure that works as an incentive.

For fiscal 2024, JAPEx posted consolidated profit of ¥81,153 million. The total return ratio serves as the indicator for share-based compensation as part of performance-linked compensation. The result for fiscal 2024 was 30.25%.

Total Amount of Compensation for Directors and Audit & Supervisory Board Members (FY2024)

Position	Total amount of consolidated compensation (Millions of yen)	Total amount of each type of compensation (Millions of yen)			Number of recipients (Persons)
		Base compensation	Performance-linked compensation		
			Bonus	Share-based compensation	
Directors (Outside Directors)	398 (58)	295 (58)	66 (—)	35 (—)	12 (5)
Audit & Supervisory Board Members (Outside Audit & Supervisory Board Members)	73 (23)	73 (23)	—	—	6 (3)
Total (Outside Officers)	471 (82)	369 (82)	66 (—)	35 (—)	18 (8)

Note: The above number of recipients includes one Director who retired upon the conclusion of the 54th Ordinary General Meeting of Shareholders held on June 26, 2024, and two Audit & Supervisory Board Members who resigned upon the conclusion of the same meeting.



Directors, Audit & Supervisory Board Members, and Executive Officers (As of July 1, 2025)

Directors

Representative Director and Chairman FUJITA Masahiro

Jun. 2019 Representative Director, Executive Vice President, JAPEX
Oct. 2019 Representative Director, Chief Executive Officer, JAPEX
Apr. 2024 Assumed his current position
Length of service: 6 years (June 2019)



Representative Director and President Chief Executive Officer YAMASHITA Michiro

Apr. 1982 Joined JAPEX
Apr. 2024 Assumed his current position
Length of service: 7 years (June 2018)



Director Senior Managing Executive Officer NAKAJIMA Toshiaki

Apr. 1986 Joined JAPEX
Apr. 2025 Assumed his current position
Length of service: 3 years (June 2022)



Director Managing Executive Officer FUNATSU Jiro

In charge of Secretary Office, Administration & Legal Dept. and Human Resources Dept.

Apr. 1988 Joined JAPEX
Jun. 2024 Assumed his current position
Length of service: 1 year (June 2024)



Director Managing Executive Officer YAMADA Tomomi

President of Overseas Business Division II

Apr. 1985 Joined JAPEX
Jun. 2025 Assumed his current position
Length of service: – (June 2025)



Director Managing Executive Officer NAKANO Masanori

President of Domestic Development Project Division

Apr. 1987 Joined JAPEX
Jun. 2025 Assumed his current position
Length of service: – (June 2025)



Outside Director YAMASHITA Yukari*

Jun. 2019 Assumed her current position
Significant position concurrently held
Managing Director, Charge of Energy Data and Modelling Center at The Institute of Energy Economics, Japan
Length of service: 6 years (June 2019)



Outside Director KITAI Kumiko*

Jun. 2022 Assumed her current position
Significant position concurrently held
Attorney at Kachidoki Law Office
Independent Auditor at OSAKI ELECTRIC CO., LTD
Length of service: 3 years (June 2022)



Outside Director SUGIYAMA Yoshikuni*

Jun. 2022 Assumed his current position
Significant position concurrently held
Representative Director, Chairman at Nippon Television Holdings, Inc.
Representative Director, Chairman at NTV Network Corporation
Director at The Yomiuri Shimbun Holdings
Length of service: 3 years (June 2022)



Outside Director KAKIGI Koji*

Jun. 2025 Assumed his current position
Length of service: – (June 2025)



Outside Director WADA Masaki*

Jun. 2025 Assumed his current position
Significant position concurrently held
Attorney at Hanzomon Sogo Law Office
Length of service: – (June 2025)



Note: Months and years enclosed by parentheses in the length of service indicate the timing of their assumption of office as Director.

* Outside Directors as defined under Article 2, item 15 of the Companies Act.

Integrity and Governance

—Corporate Governance—

Audit & Supervisory Board Members

Full-time Audit & Supervisory Board Member

TAKAHATA Shinichi

Apr. 1984 Joined JAPEX
Jun. 2024 Assumed his current position
Length of service: 1 year (June 2024)



Full-time Audit & Supervisory Board Member

ASAI Masaru

Apr. 1982 Joined JAPEX
Jun. 2025 Assumed his current position
Length of service: – (June 2025)



Outside Audit & Supervisory Board Member

KAWAKITA Chikara*1

Jun. 2022 Assumed his current position
Significant position concurrently held
Chairman at The Salt Science Research Foundation
Length of service: 3 years (June 2022)



Outside Audit & Supervisory Board Member

KATO Yoshitaka*1

Jun. 2024 Assumed his current position
Significant position concurrently held
Outside Director, Audit & Supervisory Committee Member at Sumitomo Chemical Company, Limited
Length of service: 1 year (June 2024)



Note: Months and years enclosed by parentheses in the length of service indicate the timing of their assumption of office as Audit & Supervisory Board Member.

Reasons for Appointment of Outside Directors and Outside Audit & Supervisory Board Members

	Name	Reasons for Appointment
Outside Directors	YAMASHITA Yukari	To use her deep insight in energy economy and energy and environmental policies she acquired through research activities at a research institute engaging in survey and research in the Company's management
	KITAI Kumiko	To use her deep insight that comes from her extensive administrative experience primarily in the areas of labor administration in government positions, etc., as well as extensive knowledge of laws and risk management, including labor legislation, in the Company's management
	SUGIYAMA Yoshikuni	To use his deep insight and abundant corporate management experience he has acquired through his career at a newspaper company and others in the Company's management
	KAKIGI Koji	To use his extensive knowledge on corporate management in general that comes from abundant managerial experience in global firms in steel manufacturing and other areas, in the Company's management
	WADA Masaki	To use his extensive knowledge and experience as a legal and risk management specialist, gained through his service in the legal profession, in the Company's management
Outside Audit & Supervisory Board Members	KAWAKITA Chikara	To use his deep insight he has acquired through his experience in policy execution at the Ministry of Finance and as a professor at a graduate school in the Company's management
	KATO Yoshitaka	To use his specialist knowledge and extensive experience in finance, accounting, taxation, and risk management through his organizational management as Chairman and CEO of an audit firm and his many years of work as a certified public accountant in the Company's management

*1 Outside Audit & Supervisory Board Members as defined under Article 2, item 16 of the Companies Act. *2 Support the management with high degree of expertise in specialized fields.

Executive officers who do not concurrently serve as Directors and Fellows*2

Managing Executive Officer ABE Satoshi	Managing Executive Officer IKENO Tomonori	Managing Executive Officer NAGAHAMA Yasushi	Managing Executive Officer OHAMA Tadashi	Managing Executive Officer YASUI Akira
Executive Officer TAKAHASHI Toshihiro	Executive Officer SUDA Akira	Executive Officer NISHIMURA Yutaka	Executive Officer HIRATA Kazunari	Executive Officer TAKETANI Atsushi
Executive Officer OYAMA Takashi	Executive Officer HINO Tomoyuki	Fellow TAKANO Osamu		

Skills Matrix

Name	Title	Nomination and Compensation Committee	Corporate management	Finance/Accounting/Tax affairs	Legal affairs/Risk management	ESG/Sustainability	Knowledge on the energy industry	Global business	Technologies/DX
FUJITA Masahiro	Representative Director and Chairman	Member	○		○	○	○	○	
YAMASHITA Michiro	Representative Director and President	Member	○	○	○	○	○	○	
NAKAJIMA Toshiaki	Director			○	○	○	○		○
FUNATSU Jiro	Director				○	○	○		
YAMADA Tomomi	Director						○	○	○
NAKANO Masanori	Director		○				○		○
YAMASHITA Yukari	Outside Director	Chair				○	○	○	○
KITAI Kumiko	Outside Director	Member			○	○			
SUGIYAMA Yoshikuni	Outside Director	Member	○		○	○	○		
KAKIGI Koji	Outside Director		○		○	○	○	○	
WADA Masaki	Outside Director				○	○			
TAKAHATA Shinichi	Full-time Audit & Supervisory Board Member						○	○	○
ASAI Masaru	Full-time Audit & Supervisory Board Member			○	○		○		
KAWAKITA Chikara	Outside Audit & Supervisory Board Member		○	○	○				
KATO Yoshitaka	Outside Audit & Supervisory Board Member		○	○	○				

Note: The table above indicates the major skills possessed by each individual and does not represent all the knowledge, experience, and abilities possessed by them. "Corporate management" includes management experience at organizations or associations other than companies.



Outside Director KAKIGI Koji

Brief history

- Apr. 1977 Joined Kawasaki Steel Corporation (later JFE Steel Corporation)
- Apr. 2007 Managing Executive Officer at JFE Steel Corporation
- Apr. 2010 Senior Managing Executive Officer at JFE Steel Corporation
- Apr. 2012 Vice President at JFE Steel Corporation
- Apr. 2015 President and CEO at JFE Steel Corporation
- Jun. 2015 Representative Director at JFE Holdings, Inc.
- Apr. 2019 Representative Director, President and CEO at JFE Holdings, Inc.
- Jun. 2025 Director at JAPEX (current title)

I have worked and held management positions in the steel manufacturing industry, a fundamental materials industry, for over 40 years. Subsequently, I gained comprehensive management experience in the steel manufacturing industry, engineering business, and trading company operations at a holding company. Hoping to put this experience to some use, I accepted the post of Outside Director at JAPEX, where stable energy supply and establishment of carbon neutral (CN) business are key priorities. This recognition of the challenges is not only a critical issue for the management of the steel manufacturing and engineering businesses I have experienced, but also a matter of life and death for Japan's manufacturing industry. In this respect, I cannot help but feel a deep connection to these themes. The global situation surrounding energy sector now faces an increasingly murky outlook, not least because of economic security concerns. I should also highlight the decarbonization trend, which, despite blowback from the Trump administration, will surely increase momentum over the longer term. The international community does have a common duty to realize carbon neutrality by 2050, but to that end each country should pursue a method that suits its own circumstances. For Japan, oil and natural gas will continue to serve as a key energy source. In times such as these, I believe the significance of the Group's existence becomes increasingly important. As a member of the Company, I will do my utmost to contribute to the sustainable development of the Group and secure energy supplies, which are of the utmost importance to Japan.



Outside Director WADA Masaki

Brief history

- Apr. 1987 Appointed prosecutor
- Jul. 2014 Chief Public Prosecutor of Hakodate District Public Prosecutors Office
- Jan. 2017 Director-General of the Immigration Bureau, Ministry of Justice
- Jan. 2019 Director of Trial Department, Supreme Public Prosecutors Office
- May 2020 Director-General of Public Security Intelligence Agency
- Jan. 2023 Superintending Prosecutor of Hiroshima High District Public Prosecutors Office
- Mar. 2025 Recorded attorney (Daiichi Tokyo Bar Association) (current title)
- Mar. 2025 Attorney at Hanzomon Sogo Law Office (current title)
- Jun. 2025 Director at JAPEX (current title)

I have long years of experience in legal affairs and public prosecution field, engaging in criminal investigations, criminal trials, and legal administration. After retiring, I became a lawyer. The Company's mission of contributing to society through a stable energy supply resonates with the work in legal affairs and public prosecution field in establishing the foundation for a safe and secure society.

The international situation today gives me cause for concern. The Russian invasion of Ukraine continues with no end in sight, while the tensions in the Middle East are growing ever more severe. Against this turbulent international backdrop, resource-strapped Japan faces an immense challenge in how to ensure stable supplies of energy. Responding to this challenge, JAPEX's E&P business is working to secure energy resources in multiple ways, meeting growing social expectations.

To address the urgent issues like global warming, the Company is developing a CN business and has made great strides in transitioning into a comprehensive energy company. It is clear to me that the solid progress the Company has made is a result of the Company's formidable technological excellence. As energy becomes an increasingly important issue in the months and years ahead, the Company will need to go even further in its efforts. I hope I can help in some small way.

As a legal professional, I will also contribute my expertise in corporate governance and risk management.

Basic Concept

Our business environment is becoming more uncertain as the social environment changes rapidly. Nevertheless, it is inevitable to control risks properly in order to achieve the goals of our management plan and increase our corporate value. JAPEX has developed and maintains a company-wide integrated risk management process and a process for evaluating and managing business risks in the course of investment decisions associated with various projects, as well as the execution and operation stages of these projects. Other countermeasures against diverse risks include developing Business Continuity Plans (BCPs) and establishing and maintaining an information security management system.



Risk Information

<https://www.japex.co.jp/en/company/management/riskinfo/>



Risk Management

<https://www.japex.co.jp/en/sustainability/governance/riskmgmt/>

Risk Management System

JAPEX established the Risk Management Committee to manage major company-wide risks. The Risk Management Committee meets once every three months in principle with the President as the Chair. The primary items to be discussed by the Committee are as listed below.

- Identification and evaluation of company-wide risks
- Management of progress in key projects currently in the execution and operation stage and the determination of response to issues
- Verification of compliance violation incidents

In FY2024, the Committee met four times to discuss topics including an external environment trend study on climate change risks and a report of the progress of the reduction target of GHG emission intensity, in addition to the above matters.

The Sustainability Committee is charged with managing JAPEX2050 and JAPEX Management Plan 2022–2030, and its response to environmental, social, and governance (ESG) issues. Moreover, the Sustainability Committee engages in discussion regarding how to address risks identified by the Risk Management Committee and deemed to constitute management issues requiring particular attention over the long term.

In addition, business risks associated with projects that would entail a certain level of financial burden are reviewed by the Investment Evaluation Committee. The risk management system, including the secretariat of the Risk Management Committee, is jointly promoted by the Investment Management Dept. of the Corporate Strategy Division and the Administration & Legal Dept.

Integrated Risk Management

JAPEX prepares a risk matrix by identifying and evaluating company-wide risks. Each division identifies risks in light of such matters as the characteristics and geographical locations of its business operations as well as relevant regulatory conditions, then quantitatively assesses each risk from the perspectives of probability of its materialization and its estimated magnitude. The Risk Management Committee is tasked with annually deliberating the risk assessment which is, in turn, reported to the Board of Directors, and then, described in detail in the Annual Securities Report and on the corporate website.

To date, we have identified the following six major risks. Recognizing the possibility of the occurrence of these risks, we strive to avoid their occurrence and to take appropriate measures in the event of their occurrence.

1. Risks related to commodity prices and exchange rates
2. Risks related to business
 - E&P Business: Risks related to exploration and development investment, reserves, and those specific to overseas business
 - I/U Business: Risks related to natural gas sales and natural gas thermal power generation business
 - Overall business: Risks related to accidents and disasters, climate change, and establishment of new businesses, etc.
3. Risks related to specific laws and regulations
4. Risks associated with the variation in INPEX CORPORATION's stock price and business performance
5. Risks related to JAPEX's shares held by the government
6. Risks related to Compliance

In FY2024, we have quantitatively assessed and reported to the Board of Directors the financial impact of combined risks in the case of simultaneous occurrence of multiple risks of significant importance, in addition to updating the risk assessment.

Please visit the above link to see the detailed risk information posted on our corporate website.

Risk Management Process



Business Risk Assessment

When making investment decisions that would entail a certain level of financial burden, we employ the Decision Gate (DG) process consisting of four phases (see the diagram below). This process identifies risks and opportunities associated with such decisions from technical, economical, commercial, organizational, and political-social (TECOP) perspectives, with Decision Gate Reviews (DGRs) being carried out to evaluate and discuss countermeasures to be implemented by the Company and other matters. Items examined via each DGR are also presented below. The Investment Evaluation Committee, which takes on DGR-4, evaluates the appropriateness of investment by taking into account not only the economic potential of the project but also a broad range of business risks, including those associated with ESG and geopolitical issues. Moreover, the recent shift in the business environment in connection with climate change has been radical. In conjunction with this shift, since FY2020, efforts have been under way, in countries and regions where each project takes place, to step up monitoring of the status of carbon tax introduced along with government-led reduction targets for GHG emissions and other local regulatory trends. Results of each DGR are reported to the Executive Committee, which is authorized to give final approval on investment, and the Board of Directors.

The status of projects in the execution and operation stage is overseen by management and corporate divisions via monitoring at the Risk Management Committee, which employs a cross-sectional approach to quantitatively identify and assess each risk, with the aim of maintaining appropriate business management.

In addition, the DGR-5 is carried out to utilize insights and takeaways acquired in the course of business operations ("Lessons Learned") in future investment decisions. The DGR-5 is mainly focused on identifying factors contributing to the success or failure of each project to strengthen and improve the business risks assessment and management process. Additionally, we report matters related to important projects to the Board of Directors.

We also make the above efforts to verify the effectiveness of our risk management processes.

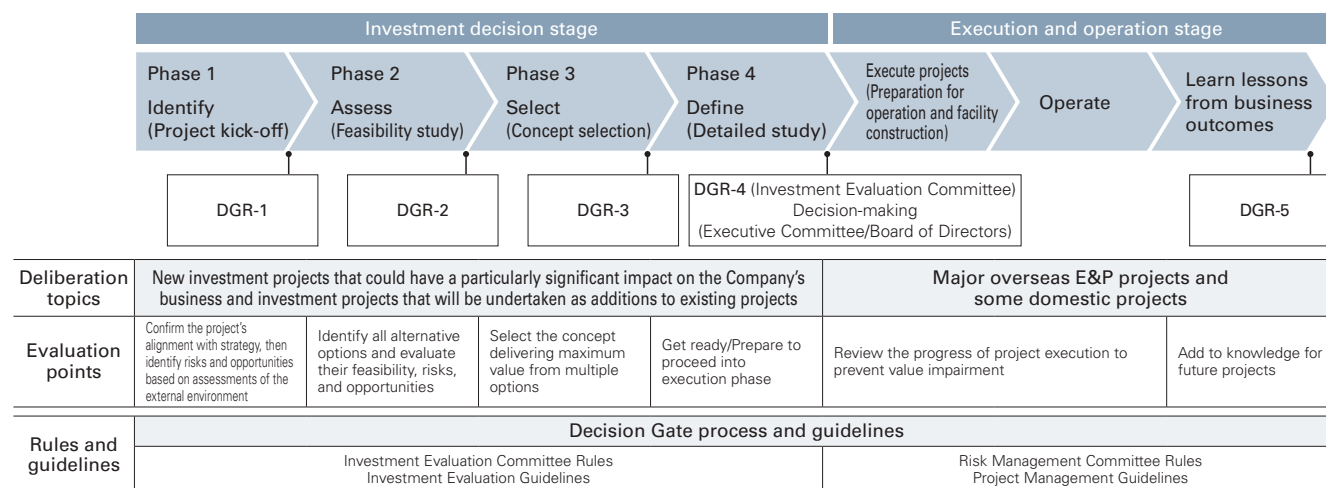
Emergency Response and Business Continuity Plans

To ensure appropriate response to emergencies at operation sites and fields, we have in place the Emergency Countermeasure Regulations and various response manuals. At the event of an emergency, business divisions and major business locations collect information, provide communications and instructions in accordance with the prescribed processes. In addition, if necessary, the Emergency Response Headquarters, etc. will be set up at JAPEx's head office and major business locations.

Moreover, we also have developed Business Continuity Plans (BCPs) and initial response manuals to respond to a major earthquake, infectious diseases outbreaks, and other incidents that would severely impact our business.

At major business locations, we regularly conduct emergency drills for operation sites and fields, large-scale urban disasters, and employee safety confirmation, based on the results of which we work to improve the methods of response to emergencies. We also reinforce our disaster prevention systems by conducting drills in cooperation with our Group companies and local disaster prevention organizations.

DG Process Overview



Information Security

JAPEx has set up the Information Security Committee to promote proper and secure management, as well as the effective utilization of information. Under this Committee, we develop and maintain substantial IT infrastructure. In FY 2024, we revised our Information Security Policy in line with the latest security standards, as well as conducted risk assessment, and developed an attack surface management system to strengthen the security of subsidiaries. In FY 2025, we plan to build a system aligned with the Policy.

We also provide regular education on information security to our employees to enhance awareness and mitigate the risk of security incidents. In addition, we strive to provide a comfortable IT infrastructure to improve the working environment.

Basic Concept

To remain a company trusted by society, JAPEx is striving to establish a corporate culture of compliance with conventional wisdom and social norms where all officers and employees act ethically and with integrity. Additionally, in accordance with JAPEx's "Human Rights Policy," we are promoting respect for the human rights of stakeholders involved in our business activities across the value chain.



Compliance

<https://www.japex.co.jp/en/sustainability/governance/compliance/>

Compliance

Framework

JAPEx has formulated the JAPEx Group Code of Ethics and Conduct, the Compliance Manual, and a booklet featuring commentaries on compliance case studies. In this way, we strive to promote thorough compliance and ensure that our action is always guided by corporate ethics. These documents are updated on an as necessary basis, with the latest versions distributed to all employees.

Chaired by the President, the Risk Management Committee discusses structures and policies related to compliance and verifies potential incidents of compliance violation.

Prevention of Bribery and Corruption

The JAPEx Group Code of Ethics and Conduct stipulates that the Company shall maintain sound and transparent relationships with politicians, political parties, and government officials/agencies. Based on this code, the Compliance Manual provides detailed requirements to be observed. These requirements are understood and practiced by all officers and employees.

The Group also established the Anti-Bribery Guidelines that stipulate such matters as the development of a system for ensuring strict compliance with relevant laws and regulations and the clarification of internal authorization procedures. In line with these guidelines, we implement periodic self-checks, anti-bribery training, and other measures to prevent bribery incidents in an effective manner.

There were no incidents involving the violation of the Anti-Bribery Guidelines in fiscal 2024. Furthermore, we do not make any political contributions.

Education

We have defined sustainability, compliance, and insider trading prevention as three basic items deserving attention of all officials and employees in the course of their daily operations. Accordingly, lectures on these topics are mandatory for all and incorporated into training for new hires and career stage training, both of which are conducted annually.

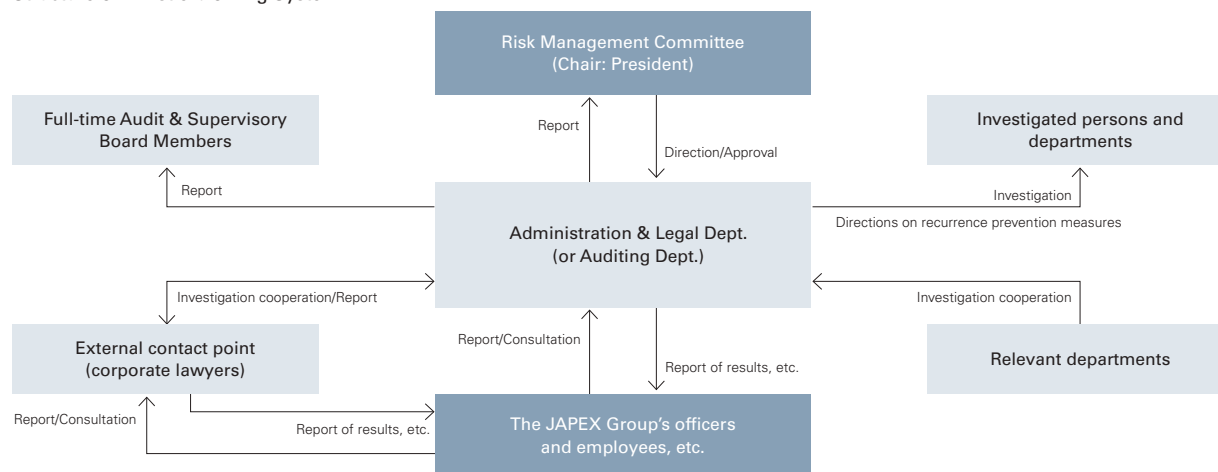
Whistle-blowing System

The JAPEx Group has a whistle-blowing system about issues associated with compliance requirements, including respect for human rights, fair procurement and trade, as well

as the maintenance of proper and appropriate relationships with politics and governments, in compliance with the Whistleblower Protection Act. The system secures an external helpline through which employees can directly report to or consult with corporate lawyers while ensuring strict confidentiality to enable anonymous reporting and consultation. We also prohibit the detrimental treatment of those who use the system and otherwise strive to protect whistleblowers.

In fiscal 2024, one case (excluding harassment reports) was reported and consulted via this system, and it was properly addressed.

Structure of Whistle-blowing System





Respect for Human Rights

Human Rights Policy

JAPEX has established JAPEX Group's "Human Rights Policy" in accordance with the UN "Guiding Principles on Business and Human Rights." By establishing the policy for showing the JAPEX Group's stance for respecting human rights and our current human rights issues in our businesses, we strive to promote understanding of our human rights efforts to stakeholders as well as the Group's officers and employees.

Human Rights Promotion System

The Sustainability Committee, which is chaired by the President, deliberates on important matters related to human rights and reports on identification and evaluation of human rights risks and response measures. Matters deliberated by the Sustainability Committee are reported to the Board of Directors as appropriate, and important matters are resolved.

Human Rights Due Diligence

Based on the UN "Guiding Principles on Business and Human Rights," we work to identify, prevent, and mitigate adverse human rights impacts in its business activities by establishing a human rights due diligence process. Furthermore, we strive to avoid causing or contributing to adverse human rights impacts across our value chain. In fiscal 2022, we conducted evaluation of human rights impacts related to our business activities and identified 11 human rights issues. In fiscal 2023, we conducted the human rights due diligence on domestic Group companies.

Human Rights Issues Based on Our Business Characteristics

- Forced labor (human trafficking)
- Child labor
- Discrimination
- Inhuman treatment
- Freedom of association and right to collective bargaining
- Working hours and wages
- Occupational health and safety
- Safety and quality of products
- Impact on local residents
- Indigenous people's rights
- Human rights abuses by security or other personnel

Human Rights Due Diligence

Identification and evaluation of adverse human rights impacts

Prevention and mitigation of adverse human rights impacts

Information disclosure

Evaluation of the effectiveness

FY2024 Results

In fiscal 2024, we conducted a self-assessment questionnaire (SAQ) for overseas Group companies and some Transaction Partners. Based on the assessment results, we proposed and conducted specific improvement measures for the high human rights risk domains. We will continue human rights due diligence initiatives while reviewing the range of investigation.

Investigation targets for the SAQ	● 5 overseas Group companies (responded by 5 companies/response rate: 100%) ● 56 Transaction Partners (responded by 41 companies/response rate: 73%)
Investigation results (key issues)	● Penetration of the Human Rights Policy ● Assignment of personnel in charge of human rights ● Dissemination of the Remedy Hotline ● Insufficient response to human rights issues in accordance with individual company situations
Specific initiatives	● Disseminate the Human Rights Policy to overseas Group companies with insufficient dissemination ● Hold dialogues to build the human rights DD system and establish it in overseas Group companies with fewer employees ● Formulation/Penetration of the Human Rights Policy ● Assignment of personnel in charge of human rights ● Establishment (Dissemination) of the Remedy Hotline ● Insufficient response to human rights issues in accordance with individual company situations ● Request each Transaction Partners to take steps to improve on an as-needed basis

Awareness Development and Penetration Among Employees Anti-harassment Measures

We have established the Anti-harassment Rules and a harassment consultation desk to realize a comfortable work environment.

In fiscal 2024, we provided a harassment training session

for officers and general managers or equivalents. In addition, we distribute periodic e-mail newsletters to all employees and provide them with relevant information via the intranet to raise their awareness. In fiscal 2024, 11 harassment cases were consulted on, and each case was properly addressed.

Sexual Minorities

We have established the "Inner Rule of Same-sex Partnership," which defines treating our employees' same-sex partners in the same manner as legally married spouses and enables employees to apply for allowances and benefits. In addition, we are improving our internal environment to promote understanding of LGBTQ+ and prevent harassment, by conducting awareness-raising activities including conducting training for all employees and distributing internal guidelines, and by establishing a counseling service.

Grievance Mechanisms

We have established a whistle-blowing system about issues associated with compliance requirements to support respect for human rights. In addition, we have joined the Japan Center for Engagement and Remedy on Business and Human Rights (JaCER) whereby established the system of receiving grievances from all stakeholders related to our business activities through its grievance form and appropriately responding thereto.



Basic Concept

JAPEX positions climate change response as one of its top management priorities. Aiming to contribute to global initiatives on climate change and the government's goal of achieving carbon neutrality by 2050, the entire JAPEX Group, including subsidiaries and associates, is working to transform its business portfolio by reducing GHG emissions and developing CCS and other new technologies.

Information on other individual challenges related to stable energy supply is available on the following pages:

Stable Energy Supply (E&P field) [P30](#)

Stable Energy Supply (Infrastructure/Utility field) [P33](#)

Development of New Technologies (Carbon Neutral field) [P36](#)



Development of New Technologies

<https://www.japex.co.jp/en/technology/>

Climate Change Response

Policy on Climate Change Response

In May 2021, JAPEX formulated its carbon neutral direction and objective JAPEX2050 and clarified its direction to achieve net zero GHG emissions from its operations by 2050 and contribute to realization of a carbon-neutral society. As a concrete roadmap to 2030, we formulated the Management Plan 2022–2030 (the “Management Plan”) in March 2022. Based on the Management Plan, we will push forward with the transition to a carbon-neutral society, work to build a medium- to long-term business foundation, and strive to enhance information disclosure in line with the TCFD Recommendations.

Status of Climate Change Response in Line with TCFD Recommendations

1. Governance

Climate change response is the priority of JAPEX's management, and we have built a system for appropriate decision-making under the supervision of the Board of Directors.

Key matters for business execution (medium- to long-term policies and plans), including climate change response, are deliberated at the Executive Committee and various other committees before being resolved by or reported to the Board of Directors. In addition, the progress of GHG emission intensity targets is reported annually to the Board of Directors. The JAPEX2050 and the Management Plan were all matters resolved by the Board of Directors.

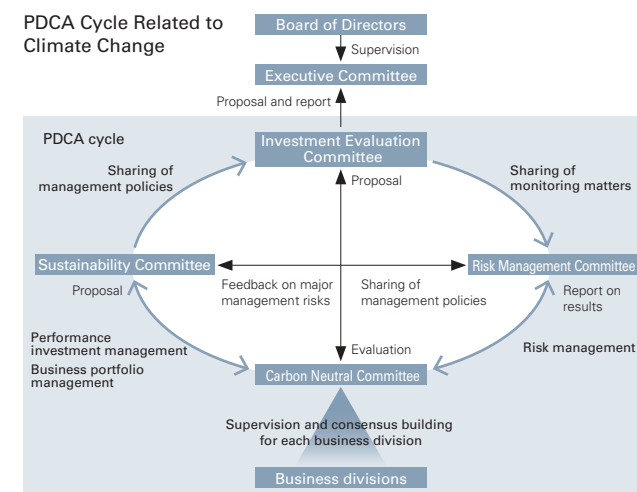
Climate change-related deliberations are also addressed by the Sustainability Committee, Risk Management Committee, Investment Evaluation Committee, and Carbon Neutral Committee in addition to the Executive Committee. We have

created a PDCA cycle for climate change response through deliberations at and reports to various committees as well as data collaboration and integrated management among business divisions and various committees.

In addition, we prepared a skills matrix that lists the knowledge, experience, and skills of each of our Directors and Audit & Supervisory Board Members. In this matrix, we also specified ESG and sustainability skills.

To strengthen the linkage between the achievement of GHG emission intensity targets and management responsibility, we have included the achievement level of company-wide climate change response objectives to annual evaluation items of Executive Officers. The annual GHG emission intensity targets set forth in the CSR action plans serve as indicators.

PDCA Cycle Related to Climate Change



Status of Activities for Climate Change Response

Committee	Main issue
Board of Directors	Resolution and report of key matters for business execution related to climate change response (resolution of the JAPEX2050 and the Management Plan, deliberation on business and other risks related to management, report on ESG activities, etc.)
Executive Committee	Deliberation of key matters for business execution related to climate change response (deliberation of the JAPEX2050 and the Management Plan)
Sustainability Committee	Deliberation of the Corporate Vision and the basic policies related to ESG and medium- to long-term strategies related to climate change response (JAPEX2050 and the Management Plan)
Risk Management Committee	Cross-sectional assessment and management of management risks, including climate change response, monitoring of individual businesses*, and deliberation and report of countermeasures for various issues (deliberation on business and other risks, report on the results of GHG emission intensity targets) *Such as carbon tax trends in operating regions and GHG emission results at locations
Investment Evaluation Committee	Deliberation of risks for major investments* and the appropriateness of investments *If carbon tax and GHG emission regulations emerge, we evaluate their impacts, and even if they do not emerge, we evaluate their impacts based on internal carbon pricing.
Carbon Neutral Committee	Formulation and implementation of our strategy for each carbon-neutral business area* Management of progress on structuring carbon-neutral projects Promotion of inter-divisional collaboration on carbon neutrality *Domestic CCS field, overseas CCS/CCUS field, next-generation energy field, etc.

Stable and Sustainable Energy Supply

—Climate Change Response—

2. Strategy

Because of the business characteristics of handling fossil resources, JAPEX has positioned climate change response as a key matter in the consideration of business strategies. We conduct scenario analyses to evaluate the medium- to long-term impact that climate change will have on the Company's business. In formulating the Management Plan, as a medium- to long-term financial impact analysis, we conducted scenario analyses using carbon and oil prices published in the four scenarios (NZE*¹, SDS*², APS*³, and STEPS*⁴) presented in the World Energy Outlook (WEO) of the International Energy Agency (IEA) as parameters and used the analysis results for the consideration of the new management plan by the Sustainability Committee. The Sustainability Committee regularly reviews the percentage of investment allocated to risk assets and opportunities from the perspective of climate change, considering the IEA's WEO scenarios.

*1 Net Zero Emissions by 2050 Scenario.

*2 Sustainable Development Scenario.

*3 Announced Pledges Scenario.

*4 Stated Policies Scenario.

3. Risk management

JAPEX has established the Risk Management Committee to manage key company-wide risks including those related to climate change (Integrated Risk Management).

As part of Integrated Risk Management, we formulated a risk matrix to identify and assess company-wide risks. Each division identifies risks in light of such matters as the characteristics and geographical locations of its business operations as well as relevant regulatory conditions, then quantitatively assesses each risk from the perspectives of probability of its materialization and its estimated magnitude. The assessment of the risks is reported to the Board of Directors annually after being deliberated by the Risk Management Committee. Those positioned as major risks are described in the Annual Securities Report as business and other risks.

P.55 Risk Management

The Sustainability Committee, which is charged with managing JAPEX 2050, the Management Plan and environmental, social and governance (ESG) issues, engages in discussion regarding how to address risks identified by the Risk Management Committee and deemed to constitute management issues requiring particular attention over the long term. Moreover, the Sustainability Committee assesses and manages JAPEX's business portfolio including sustainability-related opportunities in the process of the formulation and progress management of management plans.

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Major Risks Related to Climate Change

	Risk categories	Expected timing	Impact	Impact level	Countermeasures
Transition risks	Policy and legal risks	Long term	Increase in additional expenses due to carbon taxes and other environmental laws and regulations	Large	• GHG emission reduction based on the net zero target by 2050
	Market and technology risks	Long term	Decrease in revenue due to weaker oil and gas demand and lower prices	Large	• Assessment of transition risks through internal carbon pricing during the investment stage
	Reputation risk	Medium term	Difficulty in funding for the E&P business due to global climate agreement	Large	• Shift to a sustainable business portfolio based on the results of scenario analysis
Physical risks	Acute risks	Medium term	Impacts on onshore and offshore facilities due to extreme changes in weather	Small to Medium	• As a result of the weather disaster risk assessment using hazard maps, the impact is limited.
	Chronic risks	Medium term	Impacts of sea-level rise on onshore and offshore facilities and impacts of water resources depletion	Small	• As a result of the risk assessment of sea-level rise using scientific data, the impact is limited.

Major Opportunities Related to Climate Change

Opportunity categories	Term	Item in the Management Plan 2022–2030	Impact level	Specific progress
Resource efficiency	Long term	Use CCS/CCUS along with other decarbonization technologies at our production sites.	Medium	• Advancing preparations for FID on the Dry Piney project in the U.S. within fiscal 2025. • Commenced the CO₂ injection test at the Sukowati Oil Field in Indonesia (with Pertamina, PEP, and JOGMEC).
	Long term	Implement and commercialize CCS/CCUS promptly.	High	• Commissioned to undertake surveys in the Tomakomai area in Hokkaido, Higashi-Niigata area in Niigata Prefecture, and Sarawak, Malaysia, where JAPEx, in collaboration with other companies, submitted proposals for public solicitations regarding the “Engineering Design Work for Advanced CCS Projects.” • Signed a joint study agreement for feasibility assessment on BECCS in South Sumatra, Indonesia. • Consider underground storage of associated CO₂ at domestic fields.
	Medium term	Participate in projects of LNG supply infrastructure development.	Medium	• Joined the Freeport LNG Project in Texas, U.S.A.
Product and service	Medium term	Expand energy supply with low environmental impact and service areas through businesses such as commissioned projects that utilize existing infrastructure.	Low	• Expand sales of carbon-offset natural gas and carbon-offset LNG in Japan.

Note 1. "Medium term" indicates five or fewer years and "Long term" indicates over five years.

Note 2. "High" indicates ¥5.0 billion or more, "Medium" indicates ¥1.0 billion or more and less than ¥5.0 billion, and "Low" indicates less than ¥1.0 billion.

Stable and Sustainable Energy Supply

—Climate Change Response—

4. Metrics and Targets

4-1 JAPEX Group's GHG Emission Reduction Targets

- 2050 : Achieve net zero
- FY2030 : Reduce GHG emission intensity in our operations by 40% compared to fiscal 2019

● GHG Emission Intensity

We established a net zero target by 2050 and a fiscal 2030 target (40% reduction in emission intensity compared to fiscal 2019) as a milestone for GHG emission intensity (Scope 1+2) in our own operations.

In addition, regarding emissions in our own supply chain (Scope 3), we established qualitative targets where we aim to strengthen business fields that contribute to emission reductions.

We reduced GHG emission intensity in fiscal 2024 by 22% compared to fiscal 2019. The main reasons were that the energy amount provided did not change much year on year (maintained intensity denominator) and that GHG emissions decreased (decreased intensity numerator) due to the implementation of energy-saving measures at our production sites and the introduction of renewable energy sources (including the purchase of non-fossil certificates).

Changes in GHG Emission Intensity

FY	2019	2021	2022	2023	2024
GHG emission intensity (ton-CO ₂ /TJ)*	3.97	3.20	3.56	3.38	3.11
Reduction rate from base year (FY2019) (%)	—	-19%	-11%	-15%	-22%

*In line with the base year emissions recalculation of the GHG Protocol, which is an international standard for GHG calculation and reporting, we reflected the end of our Canadian Oil Sands Project business in fiscal 2021, and for the base year emissions (FY2019) and all fiscal years thereafter, we calculate GHG emission intensity excluding the project from emissions and energy supply volume.

● Initiatives for Reducing GHG Emissions

As part of our GHG emissions reduction action plan, we have established the following measures to reduce Scope

1 and Scope 2 emissions respectively. Scope 1 reduction measures include injection of emitted CO₂ in oil and gas fields in Japan, energy conservation measures such as reducing self-consumed gases (natural gas, etc.), and vent*1 / flare*2 emissions reduction. Scope 2 reduction measures include the gradual shift to zero emission electricity consumption (including introduction of renewable energy).

*1 Vent: Releasing excess gas directly into the atmosphere for operation at the time of emergency or startup.

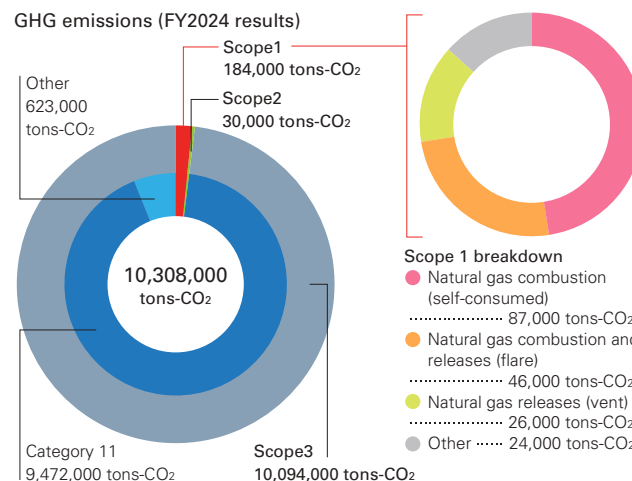
*2 Flare: Burning excess gas other than one that is shipped as products or one that is used as refinery fuel at gathering stations, crude oil production facilities, gas processing facilities, natural gas liquefaction and storage terminals, refineries and other facilities.

● Scope 1, 2, and 3 Emissions

Scope 1, 2, and 3 emissions in fiscal 2024 totaled 10,308,000 tons-CO₂, with 98% attributed to Scope 3 emissions. Of the Scope 3 emissions, 94% were from Category 11 (use of sold products).

In fiscal 2024, in addition to implementing measures to lower Scope 1 emissions at production fields, we promoted energy conservation as a measure to reduce Scope 2 emissions by reducing operating hours at our facilities. Also, we introduced renewable energy for part of our electricity purchase by purchasing non-fossil certificates for approximately 20,000 tons-CO₂.

GHG emissions (FY2024 results)



4-2 Japan Energy Resources Development Association Targets

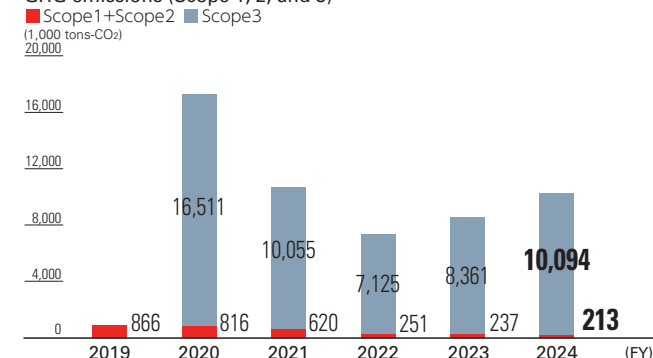
The Japan Energy Resources Development Association, which JAPEX belongs to, participates in the Japan Business Federation's Carbon Neutrality Action Plan. The plan covers mining facilities of oil and natural gas development businesses in Japan, setting a target to reduce GHG emissions by 40% by 2030, compared to fiscal 2013 levels. In addition to our GHG emission intensity targets, we are also working to achieve the Japan Energy Resources Development Association's emission reduction targets.

5. Other Measures Related to Climate Change

In Japan, Green Transformation (GX) is being promoted to achieve carbon neutrality. Human resource development related to GX is addressed in national policy, with the government collaborating with companies and educational institutions to develop personnel with the skills required for GX.

JAPEX also recognizes the importance of improving the literacy of employees involved in GX to achieve the GHG emissions reduction target set in JAPEX2050. Therefore, we are strengthening internal educational programs on GX.

GHG emissions (Scope 1, 2, and 3)



Note: Scope 3 emissions have been calculated since fiscal 2020. Scope 1, 2, and 3 emissions were reduced from fiscal 2020 to 2021 due to the termination of the Canadian Oil Sands Project business in fiscal 2021.

ESG Performance Data
<https://www.japex.co.jp/en/sustainability/management/esgdata/>

Basic Concept

JAPEX prioritizes occupational health, safety, and environment (HSE) in its business activities considering the characteristics of our business, which involves handling crude oil and natural gas and works to reduce the risks of accidents and injuries and environmental pollution. Under the JAPEX HSE Policy, we have established an HSE management system to assess HSE risks and implement countermeasures, followed by periodic reviews by the HSSE Committee, thereby creating a PDCA cycle, in an effort to foster a culture of “HSE First” and “Safety First.”



Health, Safety, and Environment (HSE)

<https://www.japex.co.jp/en/sustainability/social/hse/>

Occupational Health and Safety

HSE Management System

The Company has been implementing its unique HSE management system (HSE-MS) and applying it to businesses the JAPEX Group operates. Under the system over which the HSE Department has control and which consists of relevant departments established in each district office and subsidiary, the HSE-MS sets out risk assessment methods, targets, education, operation management, audits, and review methods by management. HSE-related audits are conducted annually.

The HSSE Committee, which is chaired by the executive in charge of the HSE Dept. and attended by the labor union president, conducts an overall review of the HSE-MS and deliberates important matters and basic policies related to HSSE, which incorporates the “S” for Security into HSE to address overseas operations. The status of HSE activities is reported annually to the Board of Directors.

Medium-term HSE Plan

The HSSE Committee formulates the Medium-term HSE Plan, which includes targets for reducing injury frequency rate, preventing environmental pollution, improving HSE-MS, and enhancing employees’ HSE capabilities. We reduce HSE risks and foster an HSE culture by sharing the medium- to long-term vision and targets across the Group. Key issues in this plan are designated as the CSR Action Plan. [P.44](#) [CSR Action Plan](#)

Identification and Countermeasures for HSE Risks

To reduce HSE risks, we conduct a risk assessment. Specifically, hazard sources are identified, and then the risk level of the possible risks from those hazard sources is categorized as H (high), M (medium), or L (low). For risks categorized as H and M, risk reduction measures are

considered and implemented until the level is reduced to L. We review the list of risks every year and share the information among district offices to prevent accidents, disasters, and environmental pollution.

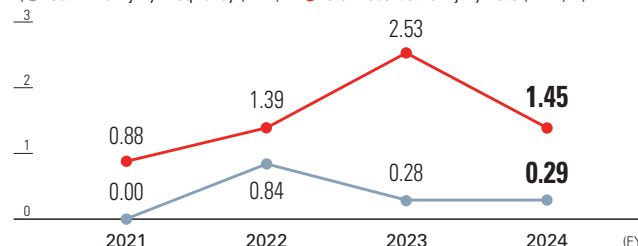
Current Status and Measures for Occupational Injuries

To reduce occupational injuries, JAPEX is continuously strengthening safety measures by monitoring indicators such as Lost Time Injury Frequency and Total Recordable Injury Rate.

In fiscal 2024, while Lost Time Injury Frequency increased compared to the previous fiscal year, Total Recordable Injury Rate improved as a result of detecting health issues early and enhancing the working environment by introducing heat stroke prevention measures, such as wearable devices and fan-equipped workwear designed for use in explosion-proof areas.

We will continue to prevent accidents and injuries through improving the working environment and raising safety awareness.

Occupational Injury Frequency Rate in Japan
(● Lost Time Injury Frequency (LTIF)*1 ● Total Recordable Injury Rate (TRIR)*2)



*1 Lost Time Injury Frequency: Calculated as the number of lost time injuries per 1,000,000 work hours.

*2 Total Recordable Injury Rate: Calculated as the number of total recordable injuries per 1,000,000 work hours.

HSE Education

We have various HSE education programs aligned with different purposes under the HSE-MS and conduct them at each location. These include basic education for all employees, career stage education such as for middle-level employees and new managers, professional education and training to prevent incidents for specific operational employees, and visitor education for contractors when they conduct operations on the premises of the Company or its locations for the first time.

Process Safety

We are working to set up comprehensive and systematic process safety in line with the status of each location. We work to increase sensitivity to process safety risks through measures including training sessions for technicians on risk assessment methods related to process safety (HAZOP*3, etc.).

*3 Hazard and Operability Studies.

Overseas Security Measures

To protect the safety of our employees engaged in overseas operations, JAPEX conducts countermeasures, training, and educational activities from ordinary times based on our overseas safety and crisis management guidelines. Moreover, in high-risk countries, we perform audits for specialized local security systems. In addition, in light of the rapidly changing international order, we are actively utilizing lectures by external specialists and think tanks in diplomacy and security.



Water Resources

<https://www.japex.co.jp/en/sustainability/environment/water/>



Pollution Prevention

<https://www.japex.co.jp/en/sustainability/environment/pollution/>

Pollution Prevention and Resource Recycling

We are working to voluntarily assess various environmental risks (pollution, water resources, biodiversity, climate change, etc.) that arise in the course of our business activities and implement countermeasures against them, on top of ensuring compliance with laws and regulations.

P.59 ➡ Climate Change Response

P.64 ➡ Preserving Biodiversity and Ecosystems

Air Pollution Prevention

We aim to assess, manage, and reduce emissions of the air pollutants VOCs (volatile organic compounds), NOx (nitrogen oxide) and SOx (sulfur oxide).

We have been participating in a voluntary action plan to reduce domestic VOCs emissions as a member of the Japan Natural Gas Association since fiscal 2005. As part of our ongoing drive to reduce VOC emissions, we are working to seal crude oil storage tanks better and incinerate VOCs that would otherwise be emitted from production facilities. VOC emissions in fiscal 2024 totaled 811 tons, down from the previous fiscal year due to reduced VOC releases.

Leakage Prevention

To prevent leakage of liquids such as mine drainage water and

crude oil, we design equipment and prepare operation manuals at our production fields and plants, while reflecting hazard registrations based on assessments of process accidents' HSE risks. We regularly review hazard registrations and risk assessments, taking into account the aging of facilities and changes in operating conditions, to ensure proper operational management and inspection systems.

In fiscal 2024, no accidents related to the leakage of liquids such as mine drainage water and crude oil were reported in JAPEX.

Water Resource Management

JAPEX appropriately disposes of the water resources it uses. After purifying water used in the production of oil and natural gas, as well as pit water collected in the course of mining, to meet wastewater standards set by laws and regulations, we either release it into public waterways or inject it back underground, in addition to being discharged as sewage.

At our operation locations in Japan, we strive to use water more effectively by promoting the recycling and reuse of water resources used as a coolant in production facilities and water used as boiler water. For fiscal 2024, water intake in Japan

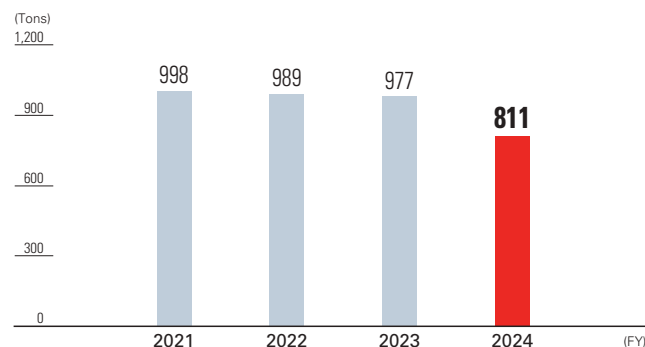
was 46,960 thousand kL, maintaining the same level as the previous fiscal year.

As part of strengthening water resource management, we conducted a water risk assessment at JAPEX's operating locations using the water risk mapping tool of the World Resources Institute. We confirmed that none of the areas are under high water stress as of March 2025.

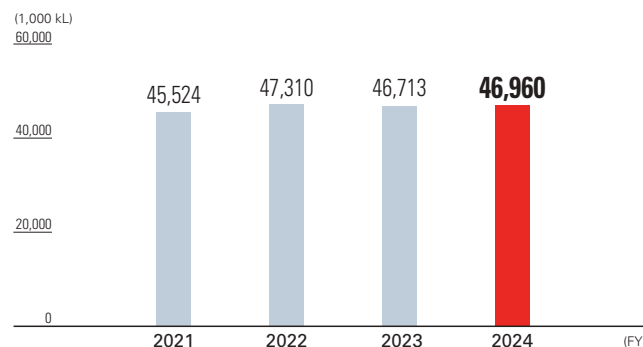
Reduction of Waste Emissions

Industrial waste generated from our business activities is appropriately treated and disposed of in compliance with applicable laws and regulations. We also strive to reduce and recycle waste generated from our business activities. In particular, portions of sludge, waste oil, and metal scrap are outsourced to specialized contractors for recycling. Compared with fiscal 2021, waste volumes increased in fiscal 2022 to fiscal 2024 due to waste generated by domestic drilling work. Waste emissions related to drilling works for additional development in Japan have increased.

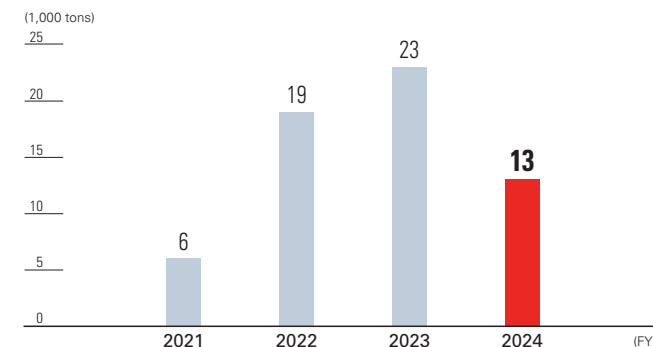
VOC Emissions in Japan



Water Intake in Japan



Waste Emissions in Japan



Basic Concept

The JAPEX Group has incorporated biodiversity and ecosystem preservation into the JAPEX HSE Policy, setting it as one of the core CSR themes. In both domestic and overseas operations, we are committed to paying attention to and conserving biodiversity. Going forward, we plan to advance our initiatives by incorporating financial perspectives in addition to CSR viewpoints.



HSE Policy

<https://www.japex.co.jp/en/sustainability/social/hse/>

Core CSR Themes

<https://www.japex.co.jp/en/sustainability/management/materiality/>

Biodiversity

<https://www.japex.co.jp/en/sustainability/environment/biodiversity/>

ESG Performance Data

<https://www.japex.co.jp/en/sustainability/management/esgdata/>**Preserving Biodiversity and Ecosystems****Initiatives to Preserve Biodiversity and Ecosystems**

Following the release of TNFD*1 recommendations calling for information disclosure on natural capital and biodiversity in September 2023, we conducted the first-stage consideration of the LEAP analysis*2 as endorsed in the recommendations in fiscal 2023 and identified the E&P field as the top-priority business for LEAP analysis. In fiscal 2024, we conducted a LEAP analysis for the E&P field from a double-materiality perspective. After conducting scenario analysis, we will work to enhance disclosure in line with TNFD recommendations aiming for integrated reporting that reflects links with other sustainability topics.

Governance

Important matters related to business execution, including nature-related issues, are deliberated by the Sustainability Committee and the Risk Management Committee, and subsequently reported to and resolved by the Board of Directors, which monitors progress of each matter. Important human-rights matters related to nature-related issues are managed in the same way. For fiscal 2024, in addition to initiatives concerning preserving biodiversity and ecosystems, we have reported to the Board of Directors on the status of our response regarding respect for the human rights of stakeholders involved in our business activities.

[P.48](#) Corporate Governance [P.58](#) Respect for Human Rights

Risk and Impact Management

JAPEX has established a Risk Management Committee chaired by the President, which conducts company-wide risk management, including nature-related risks, in principle

once every three months. In addition, nature-related risks are discussed once a year. [P.55](#) Risk Management

Strategy

For our 10 domestic and six overseas locations and district offices in the E&P field, we conducted evaluations within a short timeframe (within one year) based on LEAP analysis under the TNFD framework. The locate phase identified priority regions based on the four perspectives recommended by TNFD. In the evaluate phase, we assessed dependencies and impacts through internal and external environmental evaluations informed by the locate analysis. Key dependencies and impacts identified include the use of terrestrial and marine ecosystems development activities such as drilling and mining, air pollution, and soil and water contamination from accidental leaks. In the assess phase, we identified nature-related risks and opportunities based on the results of the evaluate phase. For risks, financial impact was the key assessment criteria, and the Risk Management Committee evaluated them as shown in the table on the right. We assessed operational risks from drought and water resource scarcity as dependencies, and impacts such as soil and water contamination from leaks during drilling and mining. Currently, we confirmed there are no high risk items other than those related to GHG emissions.

Metrics and Targets

Among TNFD recommended metrics, we disclose GHG emissions, emissions of specified chemical substances, water withdrawal, water discharge, waste, and air pollutant emissions as ESG data. Going forward, we will conduct scenario analysis and set measurement metrics and targets as needed.

Material nature-related risks in E&P field*3

	Item	Dependency / impact	Risk description	Impact level **
Transition risks	Technology	Dependency	Increased facility costs associated with water recycling in arid regions	Low
		Impact	Increased implementation costs associated with transitioning to environmentally sustainable and safe technologies	Low
	Reputation	Impact	Increased costs to meet stakeholder expectations and social demands due to impacts on the natural environment (ecosystems/atmosphere)	Low
	Liability	Impact	More diverse and frequent litigation in the oil and gas industry and claims for damages	Low
			Soil and water contamination from leaks during drilling, mining, refining, and ensuing impacts on ecosystems and fisheries, and lawsuits and claims for damages	Medium
			Fines for exceeding air-pollutant emissions	Medium
Physical risks	Chronic	Dependency	Rising temperatures from climate change and reduced work productivity	Low
	Acute and chronic		Reduced mining productivity and operational shutdowns due to water resource scarcity and withdrawal restrictions	Medium

*1 International organization established to develop frameworks that help companies assess and disclose risks and opportunities related to natural capital and biodiversity.

*2 Comprehensive evaluation process to identify risks and opportunities related to nature in areas where we conduct business (Locate, Evaluate, Assess, Prepare).

*3 Among nature-related risks, those associated with GHG emissions are disclosed as "Major Risks Related to Climate Change." [P.60](#)

*4 "High" indicates ¥5.0 billion or more, "Medium" indicates ¥1.0 billion or more and less than ¥5.0 billion, and "Low" indicates less than ¥1.0 billion.

Basic Concept

To achieve growth as a comprehensive energy company in accordance with JAPEX Management Plan 2022–2030, JAPEX regards the promotion of diversity as an important management issue and has established the JAPEX Diversity, Equity & Inclusion (DE&I) Policy. We aim to strengthen corporate competitiveness and achieve sustainable development by empowering each and every one of our diverse employees to play their active role, grow their careers, and create new value by fully demonstrating their inherent capabilities.



Diversity, Equity & Inclusion

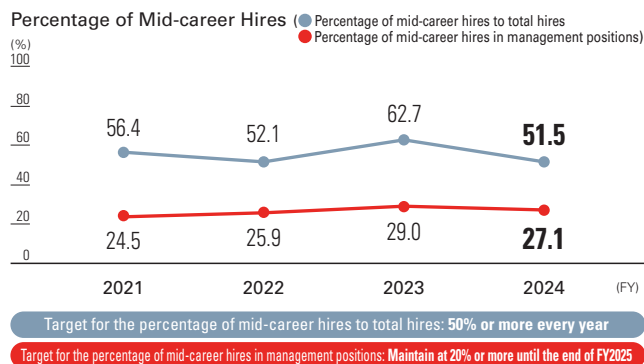
<https://www.japex.co.jp/en/sustainability/social/diversity/>

Diversity, Equity, and Inclusion (DE&I)

Utilization of Diverse Human Resources

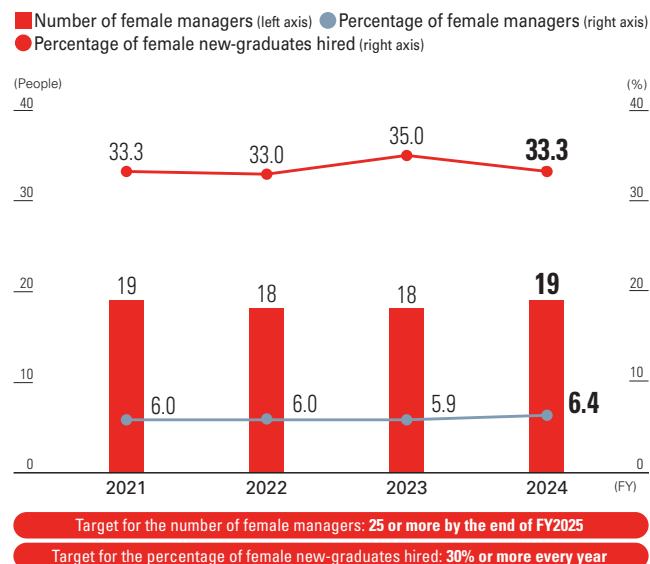
Mid-career Recruitment

To adopt flexible perspectives and views that would lead to the achievement of “JAPEX Management Plan 2022–2030,” we have actively employed mid-career employees with diverse experiences and worked to promote them to managerial positions in order to appoint them to key positions.



Efforts to Recruit Women to Management Positions

To promote female employees' participation and career advancement, we conduct recruiting activities to secure excellent female human resources and monitoring to promote women to management positions. We also take action to create an environment in which women feel empowered. For female candidates for managerial positions, we conduct individual interviews and provide selective training. We also have introduced a system to support female employees in balancing their life events and career development.



Roundtable Discussion with Female Outside Directors

To support the career development of female employees, we hold regular roundtable discussions with two female Outside Directors, female managerial employees, and female candidates for managerial positions. The events serve as a valuable opportunity for participants to lively exchange opinions about the challenges in career development and necessary support. By using the network forged through the roundtable, we will explore new initiatives to promote the career development of female employees.



Women10x

We are among the first members of Women10x,* the first international platform for supporting women in the oil and gas industry. The initiative is dedicated to sharing examples of initiatives and systems to promote the advancement of women in their companies and countries, and exchanging opinions on the issues and concerns of individual participants regardless of their job title and generations. This exchange seeks to promote the advancement of women in the industry and improve working environments. In recognition of our participation and contribution, we were granted the honor of attending and presenting at Women10x Global Summit 2025 and Global Energy Show Canada, both held in Calgary, Canada, in June 2025. Six of our ten female members attended the events and two of them delivered a presentation. Both events proved valuable opportunities for learning global knowledge and sharing ideas.

We will continue to use a stage at international conferences and other gatherings to broadcast our corporate value while also advancing the development of an organization that prioritizes DE&I.



Women10x ENERGY
Global Ecosystem Accelerator

WPC Energy Coalition Taskforce



* Launched in October 2024 by WPC Energy, iSAW, an NPO supporting the advancement of women internationally, and LEWAS, a women cooperation network in the Middle East.

Basic Concept

JAPEX has established the JAPEX Health Management Declaration based on the idea that consideration for the health of employees contributes to the growth and sustainable development of the company. JAPEX is working to ensure a good work-life balance and to create a working environment where employees who have restrictions on working hours or locations due to childcare, caregiving, or disabilities can also play an active role.



Health Management

<https://www.japex.co.jp/en/sustainability/social/healthmgmt/>



Good Working Environment

<https://www.japex.co.jp/en/sustainability/social/workenvironment/>

Health Management

Health Management Promotion System

JAPEX has established a health management promotion system overseen by the President to practice health management. Based on JAPEX Group Code of Ethics and Conduct, the JAPEX Health Management Declaration, and the JAPEX HSE Policy, we work in cooperation with the health insurance association and the labor union to support employees in maintaining and promoting their health primarily by preventing industrial accidents, creating a good working environment, respecting the diversity in values, and preventing harassment.

Initiatives that Help Promote Employee Health

Based on the results of health checkups and health surveys, we have focused on the three major health issues that we regard as important—"improvement of lifestyle," "mental health," and "women's health issues." We are enhancing our efforts for the maintenance and improvement of employees' health through the following measures: using a service that allows employees to record and review data such as health checkup results and life logs by themselves, providing e-Learning for health issues, introducing a full-day smoking ban at certain offices including the head office, providing smoking cessation program and smoking cessation aids, conducting stress checks, establishing a mental health consultation counter, and providing seminars related to female-specific cancers.



Good Working Environment

Work-life Balance

To respect the diversity in employees and realize an autonomous and flexible working style, we have introduced a full flextime system, a work-from-home system, and childcare and caregiving balance support systems, and have removed dress codes. With the removal of dress codes, employees can now dress in their own way and work in clothing that is comfortable for them to wear, leading to less physical and mental stress and fatigue and improved productivity and innovation creation. Additionally, as part of our efforts to innovate the office environment, we have introduced Activity Based Working (ABW) in certain offices to stimulate communication.

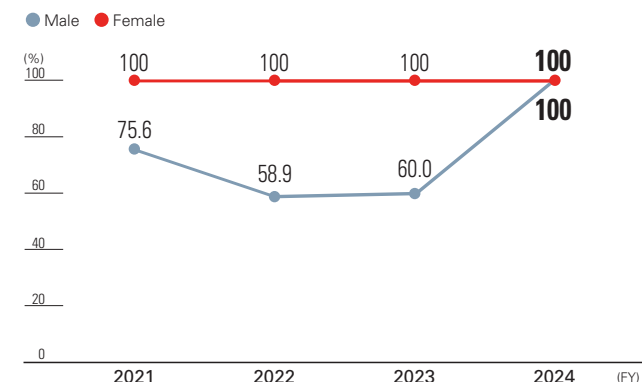


Employees working in casual attire

Support for Balancing Work and Family

In FY 2024, we focused on improving the percentage of male employees taking childcare leave aimed at creating an organizational culture that helps employees to balance work and family. We delivered a message from the officer in charge of Human Resources Dept. and held a briefing on internal systems for employees. With these measures, we significantly improved the percentage of male employees taking childcare leave, reaching 100%.

Percentage of Employees Taking Childcare Leave



Target for the percentage of male employees taking childcare leave: 80% or more by the end of FY2025

Being a Good Neighbor

— Growing Together with Stakeholders —

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Basic Concept

JAPEX believes that in order to continue our business activities in a safe and stable manner, it is important to accurately understand social demands, and gain an understanding of and build relationships of trust with our stakeholders. We are committed to building good relationships with our stakeholders through various contribution activities with respect for the cultures and customs of our operating regions in Japan and overseas, as well as through constructive dialogue and provision of information.



Relationship with Stakeholders

<https://www.japex.co.jp/en/sustainability/management/stakeholders/>

Relationship with Stakeholders

JAPEX continuously engages in dialogue with our stakeholders to gain their understanding of and cooperation in our business activities. We also aim to contribute to the revitalization and development of local communities by responding to the expectations and requests from various stakeholders.

Stakeholders	Main means of communication (FY2024)
Clients	- Dialogues with clients through marketing activities - Provision of product information - Site tours for clients
Shareholders and investors	- General meeting of shareholders - For analysts and institutional investors: - Financial results briefing (quarterly) - One-on-one meetings - ESG briefings - Site tours - Business briefings for individual investors - Tours of our offices for shareholders
Local communities	- Dialogues with local governments, local communities, etc. - Site tours - Participation in, support for, and sponsorship of local events - Social contribution activities and volunteer activities
Oil- and gas-producing countries	- Interviews related to new projects - Various meetings and briefings on the progress of projects
Business partners	- Workshops, meetings, and briefings related to operations and technologies - Regular meetings (including technical discussions) and information-sharing meetings with operators - Meetings that we attend as a shareholder of project companies
Transaction partners	- Disclosure of the CSR procurement policy and CSR procurement guidelines - Disclosure of the Human Rights Policy, investigation through questionnaires on measures to address human-rights risks - Fair transactions—compliance with the terms and conditions for transmission - HSE management based on the Company's contractor HSE management guidelines
Employees	- Individual interviews (three times a year) - Townhall meetings, skull sessions, etc. between management and employees - Training and seminars - Kids Open Office Day - Regular meetings with the labor union - Encouragements for employees to join Stock Ownership Association - Provision of information through in-house intranet and in-house journal

IR Activities

JAPEX is working to expand disclosures on financial status, business performance, and other business aspects, while promoting initiatives toward timely, appropriate, and fair information disclosure to shareholders, investors, and other stakeholders.

In fiscal 2024, we held four financial results briefings as part of our IR activities for analysts and institutional investors. For the year-end financial results briefing, we provided an opportunity for dialogue with an Outside Director. We also conducted a site tour and held an ESG briefing to promote understanding of the Company's business. At one-on-one meetings, we had dialogue primarily on our business performance, progress in each business and our management plan, and capital and shareholder return policies. Opinions and requests we received during the meetings were summarized and fed back to management and the Board of Directors.

Additionally, as part of our IR activities for individual investors, we participated in a company briefing for individual investors hosted by an IR support firm in order to enhance the Company's recognition.



A financial results briefing for analysts and institutional investors, attended also by an Outside Director



IR seminar for investors (held in Fukuoka)

Dialogue between Management and Employees

To strengthen communication between management and employees, we hold a townhall meeting and skull sessions every year. At the townhall meeting, we directly communicate our management policies and vision of the future. At the skull sessions, small groups exchange opinions on themes aligned with management issues. Furthermore, we have newly started internal briefings regarding information subject to public disclosures.

Kids Open Office Day

At our Head Office, we held "Kids Open Office Day" for the elementary school-aged children of our employees working at the Head Office. The participants engaged in experiences, including interacting and exchanging business cards with employees in the workplace, visiting the President's Office, doing Work-Card Collecting Rally, and trying on workwear. We expect this event to promote communication between families, deepen interaction among employees, energize the workplace, and enhance employee engagement.



Kids Open Office Day

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Financial Highlights

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(Fiscal years ended March 31)

	2015/3	2016/3	2017/3	2018/3	2019/3	2020/3	2021/3	2022/3	2023/3	2024/3	2025/3
Crude oil CIF price (JCC)*1(USD/bbl)	96.48	51.48	45.60	56.20	71.94	68.11	42.91	73.28	102.26	86.28	82.66
Exchange rate*1 (JPY/USD)	106.23	121.06	108.53	111.67	110.35	109.15	105.86	111.20	132.86	143.28	152.83
For Fiscal Year (Millions of yen)											
Net sales	304,911	240,302	207,130	230,629	267,980	318,822	240,078	249,140	336,492	325,863	389,082
Cost of sales	234,649	193,022	174,957	191,366	233,133	271,780	203,543	199,237	240,380	238,567	289,924
Exploration expenses	4,489	6,516	1,512	1,324	788	893	989	359	2,885	3,536	3,172
Selling, general and administrative expenses	33,625	32,426	29,975	29,173	31,743	31,864	31,352	29,734	31,139	28,512	33,972
Operating profit	32,146	8,336	685	8,764	2,313	14,283	4,192	19,809	62,085	55,247	62,012
Ordinary profit	54,839	4,652	2,222	3,828	12,523	32,635	10,001	43,674	83,130	68,808	64,221
Profit (loss) attributable to owners of parent	29,567	2,090	3,443	② (30,959)	14,770	26,815	(2,725)	⑥ (30,988)	67,394	53,661	⑨ 81,153
EBITDA*2	61,963	31,200	21,887	33,211	41,736	58,296	37,150	57,391	85,316	93,606	125,344
Net cash provided by (used in) operating activities	78,666	57,659	43,672	52,881	30,970	69,895	43,263	(1,052)	104,581	90,564	130,766
Net cash provided by (used in) investing activities	① (63,031)	(125,771)	(84,686)	(54,218)	(13,969)	(18,701)	(6,453)	52,067	(52,723)	(99,659)	(107,076)
Net cash provided by (used in) financing activities	18,475	54,816	18,360	(1,196)	(15,493)	(13,743)	(15,626)	(70,939)	(14,506)	(28,596)	(38,671)
Cash and cash equivalents at end of period	142,657	126,570	103,630	99,892	100,633	138,259	157,963	144,513	186,166	152,598	140,931
At Fiscal Year-end (Millions of yen)											
Total assets	736,862	707,601	746,739	699,536	655,288	627,132	624,786	471,941	568,180	660,928	681,598
Net assets	540,647	495,317	510,609	459,255	450,156	440,157	434,492	402,770	457,169	537,574	557,257
Long-term borrowings	20,726	130,030	141,903	135,959	127,715	118,774	50,180	510	250	—	—
Interest-bearing debt*3	121,827	163,575	176,012	170,193	151,726	140,848	118,710	6,156	10,412	9,091	14,980
Financial Ratios*4											
Basic earnings (loss) per share (Yen)	103.47	7.31	12.04	(108.34)	51.68	93.83	(9.55)	(109.13)	247.33	198.89	314.91
Return on Equity (%)	6.7	0.5	0.8	(72)	3.5	6.5	(0.7)	(8.0)	16.9	11.5	15.7
Debt-to-EBITDA ratio (Times)	2.0	5.2	8.0	5.1	3.6	2.4	3.2	0.1	0.1	0.1	0.1
Net assets per share (Yen)	1,611.11	1,473.28	1,531.05	1,487.64	1,457.46	1,409.23	1,402.27	1,335.97	1,569.84	1,906.49	2,062.21
Annual dividends per share (Yen)	10.00	10.00	3.00	4.00	8.00	10.00	10.00	10.00	⑧ 74.00	60.00	55.00
Production Volume in the Fiscal Year (daily) (Thousand boe/d)											
Production volume*5	Natural gas	32.3	34.0	33.7	31.2	28.1	26.6	25.3	22.4	14.1	12.6
	Crude oil*6	42.1	39.7	38.3	29.5	④ 33.4	49.6	36.3	36.1	14.3	29.1
	Total	74.4	73.7	72.0	60.7	61.5	76.2	61.7	58.5	28.4	41.7
Proved Reserve Volume at Fiscal Year-end (Millions of boe)											
Proved reserves	Domestic	110	94	74	73	64	58	51	54	52	50
	Overseas	203	255	277	③ 229	⑤ 323	296	266	⑦ 105	85	64
	Total	313	349	352	302	387	355	317	159	137	115

● Crude oil CIF price (JCC) (left axis)
■ Profit (loss) attributable to owners of parent (right axis)

*1 Domestic sales price of crude oil referring to crude oil (CIF) price (JCC) and its conversion exchange rate.

*2 Total of operating profit, depreciation, and interest and dividends received based on investment cash flow statement.

*3 Includes lease obligations, retirement benefit liability, and contingent liabilities.

*4 Considering the 5-for-1 stock split of shares of common stock conducted on October 1, 2024, figures for financial ratios prior to the stock split have been adjusted on a post-split basis.

*5 These figures include production volumes of equity-method associates.

*6 Figures include bitumen.

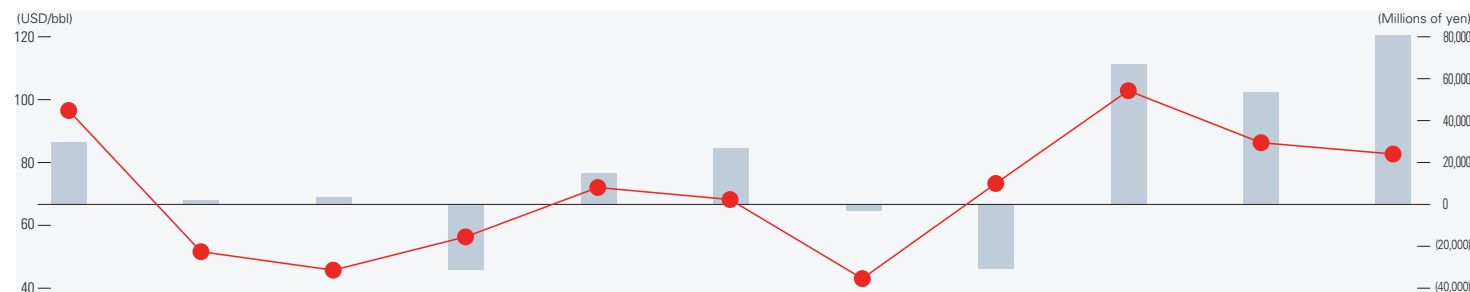
Conversion Factors and Units:

Crude oil 1 kL = 6.29 bbl.

Crude oil 1 kL = Natural gas 1,033.1 m³.

boe: barrels of oil equivalent.

boe/d: barrels of oil equivalent per day.



- ① Commencement of construction of Soma LNG Terminal (commencement of operation in March 2018).
- ② Impairment loss due to decision to end commercialization of Canadian LNG Project.
- ③ Decision to end commercialization of Canadian LNG Project.
- ④ Achievement of stable production of 20,000 barrels/d in Canadian Oil Sands Project.

- ⑤ Decision on additional development in Iraq Garraf Oil Field.
- ⑥ Extraordinary losses resulting from the end of our participation in two projects in Canada.
- ⑦ End of our participation in two projects in Canada.
- ⑧ Adoption of consolidated dividend payout ratio as a dividend policy.
- ⑨ Recording of gain on sale of investment securities.

Please visit the following link to see the information on business profit by region.
10 Year Financial Data
https://www.japex.co.jp/ir/uploads/JAPEX_10yearFinancialData_e.xlsx

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(Fiscal years ended March 31)

			2019/3	2020/3	2021/3	2022/3	2023/3	2024/3	2025/3
Environment									
Greenhouse gas emissions (1,000 tons-CO ₂)	Scope 1	Domestic	268	230	207	185	217	217	184
		Overseas	446	542	534	369	0	0	0
	Scope 2	Domestic	51	53	61	57	33	20	30
		Overseas	35	41	14	10	0	0	0
	Scope 3		—	—	16,511	10,055	7,125	8,361	10,094
Energy consumption (TJ)		Domestic	2,873	2,971	3,102	3,052	3,190	3,002	2,914
		Overseas	9,082	10,764	10,936	7,459	0	1	1
		Total (Domestic + Overseas)	11,955	13,734	14,038	10,511	3,190	3,003	2,915
Water withdrawal (1,000 kL)*1		Domestic	806	943	871	45,524	47,310	46,713	46,960
		Overseas	406	201	293	166	0	0	0
		Total (Domestic + Overseas)	1,212	1,144	1,164	45,690	47,310	46,713	46,960
Water discharge (1,000 kL)*1		Domestic	1,081	1,212	1,607	46,566	48,266	47,631	47,842
		Overseas	260	282	210	121	0	0	0
		Total (Domestic + Overseas)	1,341	1,494	1,816	46,687	48,266	47,631	47,842
Society									
Occupational health and safety	Domestic	Fatal Accident Rate (FAR)*2	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		Lost Time Injury Frequency (LTIF)*3	/	0.00	0.29	0.00	0.84	0.28	0.29
		Total Recordable Injury Rate (TRIR)*4	/	1.46	0.58	0.88	1.39	2.53	1.45
	Overseas	Fatal Accident Rate (FAR)*2	0.00	0.00	0.00	0.00	—	—	—
		Lost Time Injury Frequency (LTIF)*3	0.00	0.00	2.42	0.00	—	—	—
		Total Recordable Injury Rate (TRIR)*4	5.13	7.94	7.25	0.00	—	—	—
Number of employees (Persons)	Consolidated		1,741	1,739	1,780	1,634	1,617	1,641	1,653
	Non-consolidated		904	919	937	965	954	979	972
Number of mid-career hires (Persons)	Non-consolidated		10	17	30	31	25	42	35
Turnover rate (voluntary) (%)	Non-consolidated		2.7	2.0	2.0	3.2	2.5	1.6	3.5
Average length of service (Years)	Non-consolidated		17.9	17.1	16.6	16.0	15.7	15.0	14.7
Percentage of female managers (%)	Non-consolidated		5.2	5.2	5.9	6.0	6.0	5.9	6.4
Employment rate of people with disabilities (%)	Non-consolidated		2.8	2.6	2.8	2.6	2.6	2.8	2.9
Annual paid leave	Non-consolidated	Average days of paid leave taken (Days)	14.3	14.7	14.0	15.4	15.8	15.8	15.2
		Average rate of paid leave taken (%)	74.1	77.4	73.3	81.5	83.2	84.3	80.8
Childcare and caregiver leave	Non-consolidated	Percentage of male employees taking childcare leave (%)	28.9	44.1	45.3	75.6	58.9	60.0	100
		Percentage of female employees taking childcare leave (%)	100	100	100	100	100	100	100
		Percentage of employees returning to work after childcare leave (%) ⁵	100	100	100	100	100	100	100
		Retention rate after childcare leave (%) ⁶	100	100	100	100	100	100	100
		Number of employees taking caregiver leave (Persons)	0	0	1	1	0	1	1
		Number of employees taking time off for caregivers (Persons)	19	12	13	20	17	24	32

*1 Added "Seawater" and "Marine waters" to the scope of calculation of water intake and water discharge from 2022/3.

*2 Fatal Accident Rate: Calculated as the number of fatal accidents per 100,000,000 work hours.

*3 Lost Time Injury Frequency: Calculated as the number of lost time injuries per 1,000,000 work hours.

*4 Total Recordable Injury Rate: Calculated as the number of total recordable injuries per 1,000,000 work hours.

*5 Percentage of employees returning to work after childcare leave = (Number of employees returning to work after taking childcare leave during the current fiscal year ÷ Number of employees expected to return to work during the current fiscal year after taking childcare leave) × 100.

*6 Retention rate after childcare leave = (Out of those returning to work in the previous fiscal year after taking childcare leave, number of employees who remained employed as of March 31 of the current fiscal year ÷ Number of employees returning to work after taking childcare leave in the previous fiscal year) × 100.

JAPEX has obtained independent third-party assurance for certain data. Please visit the following link of "ESG Performance Data" to see the detailed information including the scope of non-financial data.



ESG Performance Data

<https://www.japex.co.jp/en/sustainability/management/esgdata/>

Credit Rating

Moody's:

Baa1 (Negative)

Rating and Investment Information
(long-term rating):

A+ (Stable)

Rating and Investment Information
(short-term rating):

a-1

ESG Indices of which JAPEX is a Constituent



FTSE Blossom Japan Index

FTSE Blossom Japan Index

This is a general ESG index that reflects the performance of Japanese companies with strong performance in ESG practices, which are evaluated using the ESG rating scheme developed by FTSE Russell. The index is one of the ESG indices adopted by the Government Pension Investment Fund (GPIF).



FTSE Blossom Japan Sector Relative Index

FTSE Blossom Japan Sector Relative Index

This is a general ESG index that reflects the performance of Japanese companies that demonstrate relatively strong ESG practices in each sector. Companies are evaluated from three perspectives: ESG rating by FTSE Russell, GHG emissions per unit of net sales, and management approach toward climate-change risks and opportunities. The index is one of the ESG indices adopted by GPIF.



S&P/JPX Carbon Efficient Index

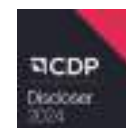
This is an index developed by S&P Dow Jones Indices LLC, and the weighting of its components is determined based on their status of environmental information disclosure and carbon efficiency (carbon emissions per unit of net sales). The index is one of the ESG indices adopted by GPIF.

**2024 CONSTITUENT MSCI JAPAN
EMPOWERING WOMEN INDEX (WIN)**

MSCI Japan Empowering Women Index (WIN)*

This is an index developed by MSCI Inc. to select companies with higher Gender Diversity Score, which is calculated from multiple perspectives based on data related to female employment as disclosed under the Act on Promotion of Women's Participation and Advancement in the Workplace, from each sector. The index is one of the ESG indices adopted by GPIF.

Evaluation for Sustainability



CDP

CDP is a UK-based non-profit organization that works with institutional investors around the world to encourage companies to disclose climate change and other environmental information. CDP also publishes its scoring data to the world. It is one of the key indicators to measure a company's commitment to the environment. JAPEX obtained a B rating for its response to the CDP Climate Change Questionnaire.



PRIDE Index

In November 2024, JAPEX was awarded the "Bronze" rating in the "PRIDE Index 2024" formulated by the general incorporated association "work with Pride" in recognition of its efforts to address LGBTQ+ and other sexual minorities in the workplace.



2025 Health & Productivity Stock Selection

JAPEX has been selected for the second time as one of the companies chosen for inclusion in the Health & Productivity Stock Selection KENKO Investment for Health Stock Selection 2025, jointly organized by the Ministry of Economy, Trade and Industry (METI) and the Tokyo Stock Exchange. In addition, JAPEX has been recognized as "White 500" under KENKO Investment for Health Outstanding Organizations Recognition Program, jointly implemented by METI and the Nippon Kenko Kaigi.



"Kurumin" certification

In August 2018, JAPEX obtained the Next-Generation Certification Mark (nicknamed "Kurumin") certification from the Tokyo Labor Bureau of the Ministry of Health, Labour and Welfare as a childcare support company that balances work and childcare according to the action plan (from April 2016 to March 2018) based on the Act on Advancement of Measures to Support Raising Next-Generation Children.



"Eruboshi" certification

In February 2021, JAPEX acquired the "Eruboshi" certification mark (third level) from the Tokyo Labor Bureau of the Ministry of Health, Labour and Welfare, based on the Act on Promotion of Women's Participation and Advancement in the Workplace, as a company with excellent implementation of initiatives to promote women's activities.

*MSCI ESG Indexes

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Corporate Data (As of March 31, 2025)

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Corporate Profile

Company Name	Japan Petroleum Exploration Co., Ltd. (JAPEx)
Established	April 1, 1970
Share Capital	¥14,288,694,000
Fiscal Year	April 1 to March 31 of the following year
Number of Employees	1,653 (consolidated basis)
Head Office	SAPIA Tower, 1-7-12 Marunouchi, Chiyoda-ku, Tokyo 100-0005, Japan TEL: +81-3-6268-7000 (Administration & Legal Dept.)

Stock Information^{*1}

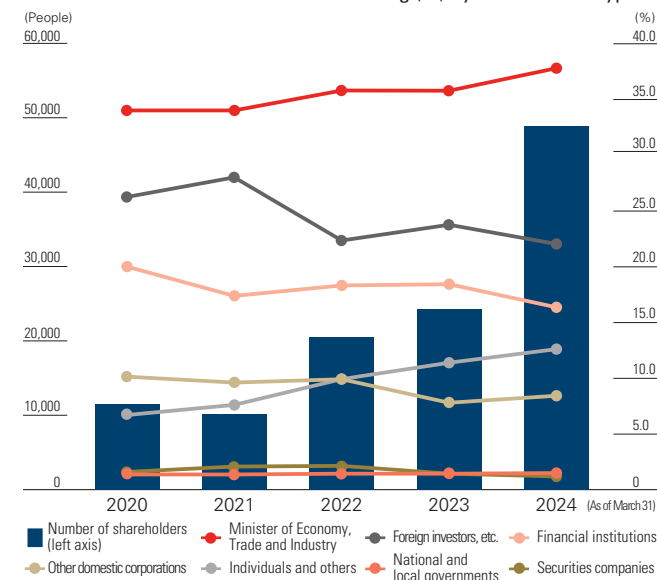
Exchange Listing	Tokyo Stock Exchange, Prime Market (Securities Code: 1662)
Common Stock (Authorized)	600,000,000 shares
Common Stock (Issued)	257,000,380 shares
Number of Shareholders	48,968
Major Shareholders	

Shareholder name	Number of shares	Voting rights ² (%)
Minister of Economy, Trade and Industry	97,163,620	37.84
The Master Trust Bank of Japan, Ltd. (Trust Account)	25,956,900	10.11
INPEX CORPORATION	7,130,530	2.78
Custody Bank of Japan, Ltd. (Trust Account)	7,036,500	2.74
STATE STREET BANK AND TRUST COMPANY 505001	6,292,338	2.45
STATE STREET BANK AND TRUST COMPANY 505223	4,762,424	1.85
JFE Engineering Corporation	4,620,060	1.80
THE BANK OF NEW YORK MELLON 140044	2,458,055	0.96
Marubeni-Itochu Steel Inc.	2,367,220	0.92
INTERACTIVE BROKERS LLC	2,090,300	0.81

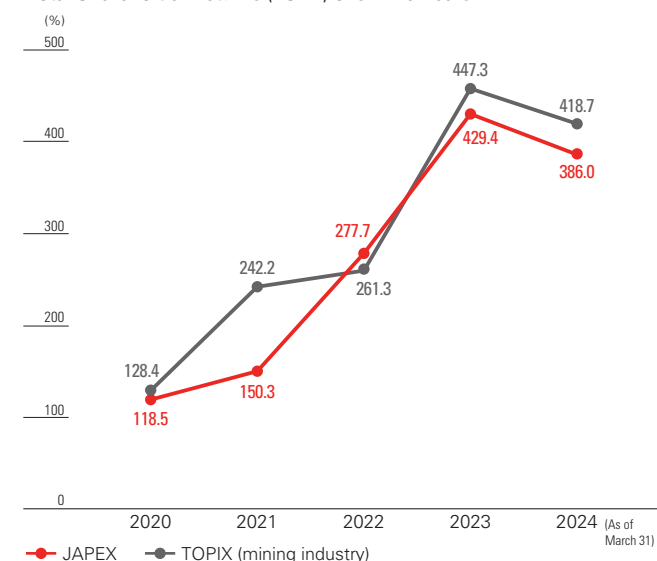
^{*1} JAPEx conducted a 5-for-1 stock split of shares of common stock, with an effective date of October 1, 2024.

^{*2} Calculated by excluding treasury shares (242,680 shares).

Number of Shareholders and Shareholding (%) by Shareholder Type



Total Shareholder Returns (TSR^{*3}) over Five Years^{*4}

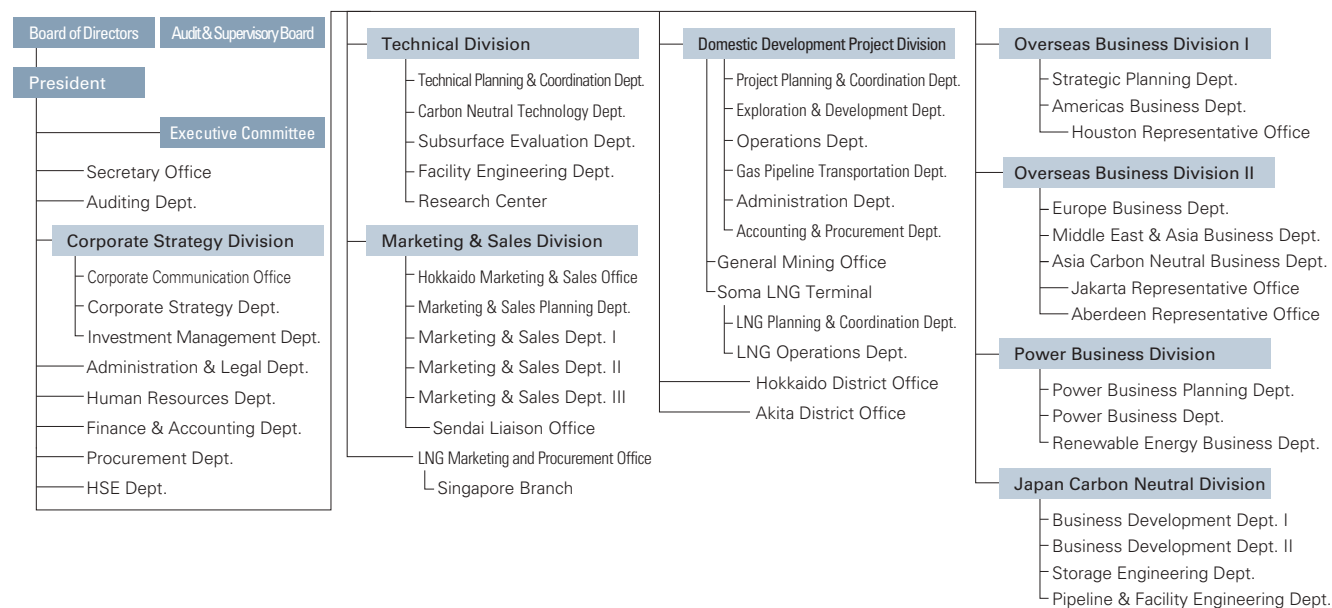


(Comparative index: TOPIX (mining industry) Total Return Index by industry)

^{*3} Calculated using the formula set by the Cabinet Office Order for total returns for shareholders, combining capital gains and dividends.

^{*4} The year-end value from fiscal 2020 onward if invested at the final price as of March 31, 2020.

Organization (As of July 1, 2025)



Group Companies

Consolidated Subsidiaries

Company name	Share capital (Millions of yen)	Main businesses	JAPEX's stake and percentage of voting rights held (%)	
			Stake	Percentage of voting rights held
Akita Natural Gas Pipeline Co., Ltd.	250	Transportation of natural gas by pipeline in Akita Prefecture	100.00	
SK ENGINEERING CO., LTD.	300	Provision of contracted well drilling and engineering services	100.00	
JAPEX SKS Corporation	90	Manufacture and sale of oil products; real estate management; and insurance agency	100.00	
North Japan Oil Co., Ltd.	80	Sale of crude oil, recycling of waste oil, contracted transportation of crude oil	100.00	
Shirone Gas Co., Ltd.* ¹	3,000	Production, supply, and sale of gas in Tsubame City and Niigata City, Niigata Prefecture	100.00	
Japex Pipeline Ltd.	80	Pipeline maintenance and management	100.00	
JGI, Inc.* ¹	2,100	Conduct of contracted geophysical exploration work and development of geophysical exploration technology	100.00	
Geophysical Surveying Co., Ltd.	446	Conduct of contracted geophysical logging and mud-logging work	100.00	
Japex (U.S.) Corp.* ¹	thousand USD 231,560	Exploration, development, and production of petroleum resources in the United States	100.00	
JAPEX UK E&P Ltd.* ¹	thousand GBP 31,662	Exploration, development, and production of petroleum resources in the UK North Sea	100.00	
JAPEX Norge AS	thousand Norwegian krone 6,786	Exploration, development, and production of petroleum resources offshore Norway	100.00	
North Japan Security Service Co., Ltd.	30	Industrial safety services, security services	89.42	
Japex Offshore Ltd.* ¹	5,963	Exploration, development, and production of petroleum resources on the continental shelf of the Sea of Japan	70.61	
GEOSYS, Inc.* ²	49	Conduct of contracted geophysical exploration work and sale of geophysical exploration equipment	57.82	(57.82)
Japex Energy Co., Ltd.	90	Purchase and sale of LNG, oil products, etc.	90.00	
Japex Garraf Ltd.* ¹	20,930	Exploration, development, and production of petroleum resources in the Garraf Oil Field, Iraq	55.00	
JAPEX Insurance Ltd.* ¹	3,500	Underwriting reinsurance of non-life insurance of JAPEX group	100.00	

Equity-method Associates

Company name	Share capital (Millions of yen)	Main businesses	JAPEX's stake and percentage of voting rights held (%)	
			Stake	Percentage of voting rights held
TOHOKU NATURAL GAS Co., Inc.	300	Purchase and sale of natural gas in the Tohoku region	45.00	
TELNITE CO., LTD.	98	Manufacture and sale of drilling fluid chemicals and provision of mud services	47.00	
Fukushima Gas Power Co., Ltd.	537	Operation and contract work of power generation business using a natural gas power plant	33.30	
Sakhalin Oil and Gas Development Co., Ltd.* ³	22,592	Exploration, development, and production of petroleum resources on Sakhalin Island and its land shelf in the Russian Federation	15.29	
Energi Mega Pratama Inc.	thousand USD 1,000	Exploration, development, and production of petroleum resources in the eastern Java Sea, Republic of Indonesia	25.00	
Kangean Energy Indonesia Ltd.* ^{3*4}	thousand USD 10	Exploration, development, and production of petroleum resources in the eastern Java Sea, Republic of Indonesia	—	[100.00]
EMP Exploration (Kangean) Ltd.* ^{3*4}	GBP 100	Exploration, development, and production of petroleum resources in the eastern Java Sea, Republic of Indonesia	—	[100.00]
Abashiri Biomass Power 2 LLC	1,297	Operation of biomass power generation business using domestic wood chips	33.80	
Abashiri Biomass Power 3 LLC	1,238	Operation of biomass power generation business using domestic wood chips	33.80	
Silent partnership operated by Ozu Biomass Power Co., Ltd.* ⁴	21,349	Biomass-fired power generation using wood pellets	—	[28.28]
Gulf Coast LNG Holdings LLC* ^{2*3}	—	Participation in the Freeport LNG Project in Texas, U.S.A.	15.00	(15.00)
Blue Spruce Operating LLC* ²	thousand USD 35,601	Consideration of separation and capture of CO ₂ and sale of natural gas and helium in Wyoming, U.S.A.	40.00	(40.00)

*1 The company is a specified subsidiary.

*2 The figure inside the parentheses under "Percentage of voting rights held" represents the percentage of indirectly held voting rights and is included in the above percentage.

*3 The company is considered to be an associate because JAPEX has a substantial influence thereon despite having a stake therein that is less than 20%.

*4 The figure inside the square brackets under "Percentage of voting rights held" represents the percentage held by parties who are closely related to or aligned with the Company and is excluded from the above percentage.



10 Year Financial Data

https://www.japex.co.jp/ir/uploads/JAPEX_10yearFinancialData_e.xlsx

Financial Results

<https://www.japex.co.jp/en/ir/library/result/>

Securities Report

<https://www.japex.co.jp/en/ir/library/report/>

Explanatory Materials

<https://www.japex.co.jp/en/ir/library/explanatory/>

Management Plan

<https://www.japex.co.jp/en/company/management/managementplan/>

ESG Performance Data

<https://www.japex.co.jp/en/sustainability/management/esgdata/>



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