

Integrated Report 2026

For the Year Ended March 31, 2026

A large, abstract graphic composed of numerous overlapping, semi-transparent diagonal bands in various shades of red and orange, creating a sense of motion and depth. The bands are most concentrated in the lower-left and upper-right areas, leaving the top-left corner relatively clear for the text.

JAPEX

Japan Petroleum Exploration Co., Ltd.

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

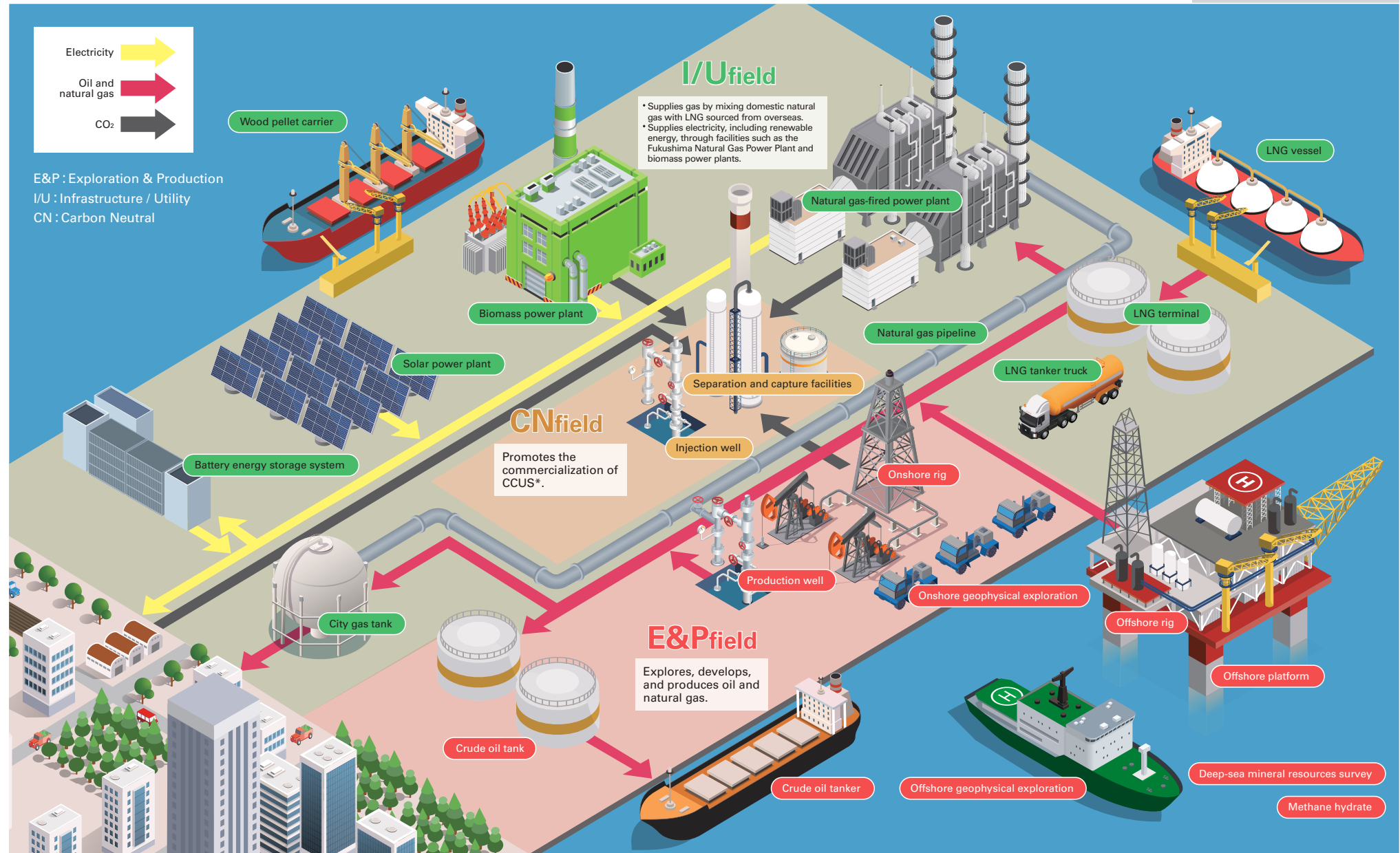
To realize our Corporate Vision and sustain as a company trusted by society, we hereby establish the JAPEX Group Code of Ethics and Conduct, which provides corporate ethics standards and principles of action to be adhered to by all officers and employees.

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 relationships with to any anti-social forces.
9. Pay careful attention to managing and protecting confidential information and personal/clients' data.

What We Do

We support a stable energy supply through our E&P field for oil and natural gas, as well as our I/U field covering natural gas and LNG supply and electricity (gas-fired power generation, renewable energy, and storage batteries). In the CN field, we are promoting the commercialization of CCUS (underground storage), which contributes to the decarbonization of fossil fuels, with the aim of realizing a carbon-neutral society.

WEB ▶ Corporate profile video (YouTube)



*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.

At a Glance — JAPEX in Figures —

(FY2025 results)

Net sales

¥ **340.3** billion

Operating profit

¥ **38.9** billion

Profit*1

¥ **53.4** billion

ROE

9.2 %

Growth investments

¥ **200.0** billion

Shareholder returns

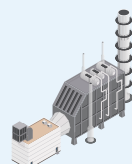
¥ **12.8** billion

Production volume of oil and natural gas (Net)



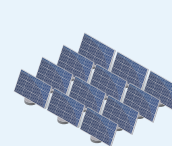
39 thousand boe/d*3
 Overseas **28** thousand boe/d
 Japan **11** thousand boe/d

Power plant*3



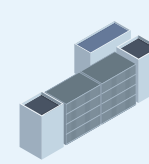
10 locations
 Total output (Gross)
1.40 million kW

Of which, renewable energy*3



9 locations
 Total output (Gross)
0.22 million kW

Battery energy storage system*3



2 locations
 Total output (Gross)
0.022 million kW



Human resources supporting value creation

Number of employees (Consolidated)

1,670 persons



Global business operations

Number of countries where the business operates

6 countries

History

70th anniversary
 (Founded in December 1955)



JAPEX foundation ceremony

*1 Profit attributable to owners of parent. *2 Barrels of oil equivalent per day. *3 Including power plants and battery energy storage systems under construction.

Key Points of the Integrated Report 2026

Under the JAPEX Management Plan 2026–2035 announced in April 2026, we are promoting the strengthening of our execution capabilities, including human capital and digital capabilities, with the aim of building the *core assets* by focusing on overseas E&P and CCUS. We provide a multifaceted overview of JAPEX's vision for the future, including a message from the President, our growth strategies that drive sustainable growth, and our robust governance framework. Here, we introduce the “four key points” that we particularly encourage readers to explore.

Point 1 Message from the Management Team

Under the JAPEX Management Plan 2026–2035, this period is positioned as the *10 decisive years* for building the core assets. To achieve this, we introduce the strong commitment of our top executive, as well as our strategies by region and our respective strategies for finance, human capital development, and digital advancement, presented by the officers in charge.

- ▶ P.06 [President's Message](#)
- ▶ P.16 [Message from the Officer in charge of Overseas Business Division](#)
- ▶ P.26 [Message from the Officer in charge of Finance & Accounting Dept.](#)
- ▶ P.28 [Message from the Officer in charge of Human Resources Dept.](#)
- ▶ P.32 [Message from the Officer in charge of Corporate Strategy Division](#)



Point 2 JAPEX's Growth Story

Throughout our 70-year history, we have continuously faced changes in the external environment head-on, developing unique strengths that set us apart. Building on these strengths, we present a roadmap to building the core assets and becoming a global company with profit exceeding ¥100 billion.



- ▶ P.10 [JAPEX's Strengths](#)
- ▶ P.11 [Roadmap to Our Vision](#)

Point 3 JAPEX's Growth Strategy

How was the JAPEX Management Plan 2026–2035 formulated, and how do we aim to achieve it? We explain the strategies for our four priority areas, the strengths that support these strategies, and efforts to strengthen our execution capabilities, while also exploring our redefined material issues.



- ▶ P.15 [JAPEX Management Plan 2026–2035: Building Core Assets toward 2035](#)
- ▶ P.24 [Materiality](#)

Point 4 Outside Directors' Roundtable Discussion

Four Outside Directors with a broad array of expertise held a discussion on the process of formulating the new Management Plan, their assessment of the management strategies, and approaches to risk management for making appropriate investment decisions.



- ▶ P.53 [Outside Directors' Roundtable Discussion](#)

INDEX

Introduction

- 01 Corporate Vision & Code of Ethics and Conduct
- 02 What We Do
- 03 At a Glance
- 04 Key Points of the Integrated Report 2026
- 05 INDEX, Editorial Policy

JAPEX's Growth Story

- 06 President's Message
- 09 JAPEX's 70-year History
- 10 JAPEX's Strengths
- 11 Roadmap to Our Vision
- 12 Value Creation Process

Growth Strategy

- 14 Review of the Previous Management Plan
- 15 JAPEX Management Plan 2026–2035: Building Core Assets toward 2035
- 24 Materiality
- 26 Financial Strategy (Message from the Officer in charge of Finance & Accounting Dept.)
- 28 Human Capital Strategy (Message from the Officer in charge of Human Resources Dept.)
- 32 Digital Transformation (DX) Strategy (Message from the Officer in charge of Corporate Strategy Division)
- 34 Climate Change Response
- 38 Overview by Business Field—E&P Field—
- 40 Overview by Business Field—I/U Field—
- 42 Overview by Business Field—CN Field—

Business and Growth Foundation

- 45 Sustainability Management
- 48 Preserving Biodiversity and Ecosystems
- 49 Occupational Health and Safety
- 50 Pollution Prevention and Resource Recycling
- 51 Growing Together with Stakeholders
- 52 Participation in Initiatives
- 53 Outside Directors' Roundtable Discussion
- 56 Corporate Governance
- 63 Risk Management
- 65 Compliance
- 66 Respect for Human Rights

Data Section

- 68 Financial Highlights
- 69 Non-Financial Highlights
- 70 External Evaluation
- 71 Corporate Data
- 73 Glossary



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.

Integrated Report 2026 explains in detail the growth story for the next 10 years based on the JAPEX Management Plan 2026–2035 announced in April 2026. It also describes the corporate structure transformation JAPEX plans to undertake for realizing growth.

Reference Guidelines

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



Organizations Covered by This Report

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

Reporting Period

Fiscal 2025 started on April 1, 2025 and ended March 31, 2026. Some statements include data before March 31, 2025 or after April 1, 2026.

Issuing Date

October 2026 (Next issue: October 2027)

Notes Concerning Future Prospects

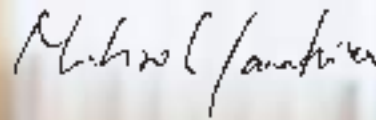
This Integrated Report includes past and current facts about JAPEX and its subsidiaries and associates, their plans and prospects as of the issuing date, as well as forecasts based on their management plans and corporate management policies. These forecasts represent management's assumptions or decisions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

Related Materials and Communication Tools

- WEB ► Website for shareholders and investors
- WEB ► 10 Year Financial Data
- WEB ► Management Plan
- WEB ► Financial Results
- WEB ► Explanatory Materials
- WEB ► Securities Report
- WEB ► Sustainability website
- WEB ► ESG Performance Data
- WEB ► Corporate Governance Report
- WEB ► JAPEX's official YouTube channel

President's Message

Building Core Assets toward 2035 under the New Management Plan



YAMASHITA Michiro

Representative Director and President,
Chief Executive Officer



70 Years of History Carry Our Resolve for the Next Decade

In December 2025, JAPEX marked the 70th anniversary of its founding. Looking back, our history has not simply been a matter of protecting our founding business.

Under the mission we held at our founding, namely the expansion of domestic oil and gas E&P business, we began exploring and developing oil and gas fields literally from *zero reserves*, and we subsequently extended our E&P business activities overseas. We have also experienced major setbacks, including our withdrawal from the oil sand and shale gas projects in Canada, but we have engraved those lessons deeply into our investment discipline and portfolio management, and we continue to take on new challenges while carefully assessing economic viability and efficiency.

We have also expanded our operations into business areas beyond E&P as the times have changed. To meet growing domestic demand for natural gas, we aimed to build a supply structure combining domestically produced natural gas and LNG, and we developed infrastructure including the Niigata–Sendai Gas Pipeline and the Soma LNG Terminal. We are also engaged in natural gas-fired power generation and renewable energy, which take environmental impact into account.

Throughout this journey, our mission has evolved from expanding domestic oil and gas E&P business to stable energy supply in a much broader sense. Confronting changes in the external environment head-on and seeing things through to the end—this attitude is the very source of our strength. I believe that the condition for sustaining our business over the long term and continuing to earn the trust of society lies in transformation through continuous self-renewal.

The world stands at a historic turning point toward decarbonization. At the same time, geopolitical turmoil and rising market uncertainty have renewed recognition of the importance of a stable energy supply. What society now requires is a workable framework that takes supply stability and economic efficiency into account, while presuming initiatives will naturally be taken to address global warming. I believe that one realistic answer is the decarbonization of fossil fuels, that is, applying technologies such as CCUS to make use of fossil energy, which excels in cost and supply stability, while decarbonizing it.

The technologies required for CCUS share a common foundation with those we have cultivated in the exploration, development, and production of oil and natural gas. The knowledge and experience we have accumulated over 70 years can now be applied to decarbonization, a new area of growth, and this is why JAPEX is needed by society while shining a light on our path to further growth.

JAPEX Management Plan 2026–2035: Next Decade a Decisive 10 Years for Growth

Under the previous plan, JAPEX Management Plan 2022–2030, we set ROE and other indicators as management targets and worked to improve our return on capital. However, as calls for management that is conscious of cost of capital and stock price have grown stronger, a fresh review of how our corporate value is assessed brought to light a serious issue: we have not fully met the market's expectations for

future growth. The results we achieved during the previous management plan period owed something to soaring crude oil prices and a short-term expansion of production in the United States, and we recognize that we must fulfill our accountability even more fully and demonstrate through actual results our ability to deliver returns that satisfy our shareholders on a sustained basis.

In addition, against the backdrop of rising global electricity demand driven by AI, data centers, and other factors, the medium- to long-term energy environment has entered a phase in which we must pursue not only an “energy transition” but also “energy addition (expansion of supply capacity).”

Based on this understanding of the situation, I believe that the next decade will be a decisive 10 years for growth. The question we face is whether we can see through our growth investments and portfolio transformation with a strong awareness of the cost of capital and of how the market assesses us, and continuously generate returns that exceed the cost of capital. We concluded that we need a management plan in which not only our shareholders, but ourselves as well can place strong confidence in our future growth, and on this basis, in April 2026, we formulated the JAPEX Management Plan 2026–2035.

Building *Core Assets*: Two Business Areas x Four Priority Areas that Leverage Our Strengths

In drawing up the new management plan, we identified the sources of our competitiveness, that is, our strengths, as the following three areas.

The first is our comprehensive technological capabilities we have honed across every E&P field in geologically challenging domestic operations.

The second one is the CCUS track record and expertise we have cultivated as a domestic front-runner, together with our relationships of trust with stakeholders.

Finally, our third strength is the rigorous portfolio management we have refined in the course of our growth.

In the new management plan, we have designated **overseas E&P and CCUS** as the core of our growth, as the business areas where these strengths can be put to fullest use, and we will concentrate our management resources in the priority areas of **Japan, the United States, Norway, and South East Asia**. In Japan, we will strengthen our earnings base through the stable operation and greater efficiency of our existing businesses, while moving ahead first with the commercialization of CCUS. Overseas, we will accelerate two efforts in tandem: maximizing the value of the E&P assets we have already acquired, which form the core of our growth, and identifying and capturing new business opportunities.

Through this strategy of focus, we will build up “**core assets**.” Core assets are assets that (1) generate a profit exceeding the cost of capital, (2) possess a business scale significantly exceeding the production decline in domestic E&P, (3) contribute to sustainable growth, and (4) have the potential to add unique value. As an expression of this firm resolve, we have given the new management plan the subtitle “**Building Core Assets toward 2035**.” Through selection and focus, we will build a robust core assets portfolio and create solid corporate value.

Three Transformations Being Passed to the Next Generation: Never Ceasing to Take On Challenges

As the head of management, I am determined to carry through the following “three transformations” during the new management plan period and to hand a solid future to the next generation.

The first is achieving growth with overseas E&P at the core.

We will concentrate our management resources in the areas where we can expect the highest returns and refine our portfolio, including through decisive M&A and asset replacement. As a result, we will raise the JAPEX Group's oil and natural gas production from 45,000 boe/d (fiscal 2025 actual gross, oil equivalent) to **100,000 boe/d** on an oil-equivalent basis in fiscal 2031 as a medium-term milestone and to **180,000 boe/d** in fiscal 2035, elevating overseas E&P into our mainstay business.

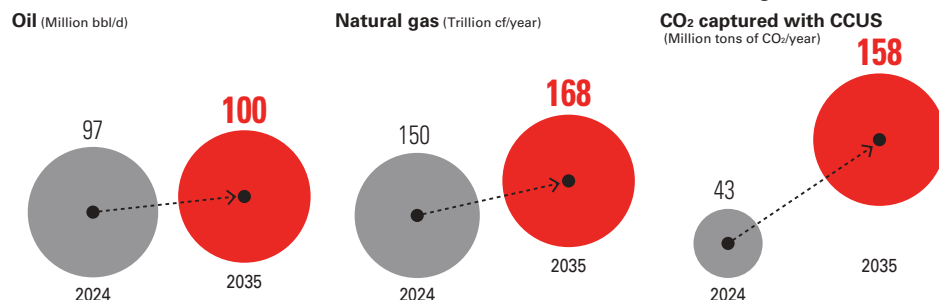
The second is bringing CCUS to full bloom as an earnings-generating business.

Rather than leaving CCUS as no more than a social contribution or a cost center, we will establish it as an earnings-generating business. With fiscal 2026–2030 as a preparatory period, we will steadily build the business foundation and, from fiscal 2031 onward, it will begin contributing to earnings in earnest. Then, in fiscal 2035, we will achieve cumulative **storage of 8 million tons of CO₂ or more**, contributing to the decarbonization of society while at the same time linking this to the enhancement of our own corporate value.

The third is strengthening the execution capabilities that support transformation, in other words, corporate transformation.

We will be thoroughly exacting about the “how” of our strategy, the way we execute it. Positioning human capital, organization, and digital transformation as priority areas for transformation, we will advance the securing and development of talent to lead the building of core assets, faster decision-making, more sophisticated investment decisions through integrating data more effectively, free up human resources through BPR, and the optimization of operations in our operator*1 businesses. We position seeing through and succeeding in making the overseas E&P business our mainstay and monetizing CCUS as our corporate transformation (CX), and through this we will acquire the speed and execution capabilities to prevail in an uncertain era.

Our view on the external environment: Demand outlook for oil, natural gas, and CCUS*2



*1 A contractual term used in the exploration, development, and production of oil and gas via collaboration between multiple partners; the “operator” is a party commissioned to handle and manage actual operations.

*2 Source: Prepared by JAPEX based on the Stated Policies Scenario (STEPS) in the IEA's *World Energy Outlook 2025*.

To Our Stakeholders: 70 Years of Passion Fueling Our Next Stage of Growth

Corporate management is the continuous work of facing a reality that does not go as we wish, coming to terms with it, and choosing the next course of action. Rather than avoiding hardship, we find the path to success within it, and the conviction to see things through to the end no matter what barriers we face becomes the strength of the company.

I am determined to bring our 70-year cultivated pioneering spirit to fruition as tangible outcomes of growth in the coming decade. While fulfilling our responsibility for the stable energy supply, we will balance our contribution to a decarbonized society with the enhancement of corporate value, and we will do our utmost so that investors feel glad to have become shareholders of JAPEX. With the same passion we held at our founding, when we started from zero reserves, we will demonstrate our determination in the coming decade through results rather than words. We look forward to meeting your expectations.



JAPEX's 70-year History

We started by taking on challenges from zero reserves and have since grown into a company that provides a stable energy supply. We will continue our journey toward stable supply without pause, building on the technologies and approach we have cultivated over the past 70 years as a foundation for the transition to a decarbonized society and paving the way for new growth.

1950s to 1970s

Founding & Building a Business Foundation

● Established a foundation for the domestic E&P business (1950s)

The Company was established in 1955 as a government-owned company. We discovered the Biratori Oil Field, Higashi-Niigata Gas Field, and Katakai Gas Field, and put our domestic business on track.

● Started overseas projects and stepped up global expansion (1960s)

Building on our success in Japan, we quickly started exploring and developing overseas oil and gas fields, particularly in Indonesia, paving the way for global expansion.

● Reorganized as a private company and took on challenges in new areas (1970s)

We reorganized as a private company by separating from Japan Petroleum Development Corporation (JPDC) in 1970. We also took on the new challenge of exploring and developing offshore fields in Japan, successfully discovering the Aga-oki Oil and Gas Field.

- Discovered the Biratori Oil Field in Hokkaido, the first oil field discovered by JAPEX (In production from 1956 to 1961)
- Discovered the Higashi-Niigata Gas Field
- Discovered the Katakai Gas Field
- Established North Sumatra Offshore Petroleum Exploration Co., Ltd.
- Discovered the Aga-oki Oil and Gas Field in Niigata, the first ever offshore oil field discovered since the establishment of Japex Offshore Ltd. in 1971 (In production from 1976 to 1998)

1980s to 2000s

Strengthening the Business Foundation

● Strengthened our domestic E&P business (1980s)

We successively discovered large-scale oil and gas fields in Japan, including the Iwafune-oki Oil and Gas Field, Yufutsu Oil and Gas Field, and Ayukawa Oil and Gas Field. These discoveries solidified the foundation of our core exploration, development, and production (E&P) business.

● Built our own natural gas infrastructure network (1990s)

We commenced operations of the Niigata-Sendai Gas Pipeline and built our own pipeline network to ensure a stable supply of natural gas. This marked the establishment of a strong pillar that would become the foundation of our current Infrastructure/Utility (I/U) business.

● Listed on the First Section of the Tokyo Stock Exchange and accelerated our global expansion (2000s)

In 2003, we were listed on the First Section of the Tokyo Stock Exchange. This marked the beginning of our active expansion into large-scale overseas projects, including the Canadian Oil Sands Project, the Kangean Project in Indonesia, and the Garraf Oil Field in Iraq, significantly expanding the scope of our business globally.

- Commenced operation of the Niigata-Sendai Gas Pipeline
- Commenced bitumen production at the Canadian Oil Sands Project (project ended in 2021)
- Participated in the Kangean Project in Indonesia (participation ended in 2025)
- Awarded the development and production rights for the Garraf Oil Field in Iraq

2010s to Present

Expanding Business Fields and Taking on the Challenge of "Decarbonizing Fossil Fuels"

● Strengthened domestic and overseas business foundations and expanded the I/U business (2010s)

We focused on the overseas E&P business in the U.S. and Canada. At the same time, we significantly grew our domestic I/U business through the operation of the Soma LNG Terminal, participation in the Fukushima Natural Gas Power Plant, and operation of the mega solar plant in Hokkaido.

● Building core assets and expanding the business (2020s)

We are promoting the building of core assets for the future and further expanding our overseas E&P business, including through the acquisition of operator assets in the U.S. tight oil and gas*1 development, where we take the lead in development activities.

● Taking on the challenge of "Decarbonization of Fossil Fuels" (present to future)

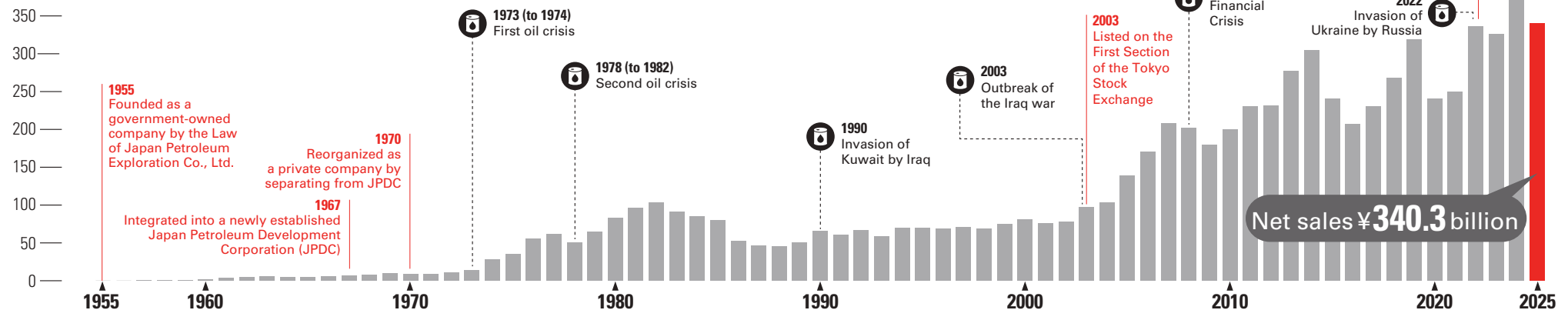
Starting with our participation in the Tomakomai CCS (capturing and storing CO₂) pilot test, we are strongly promoting the commercialization of CCUS in Japan and overseas as the most practical solution for achieving a decarbonized society. Going beyond simply supplying energy, we aim to achieve "Decarbonization of Fossil Fuels."

- Participated in the U.S. tight oil and gas development project
- Participated in the shale gas project in Canada (participation ended in 2021)
- Participated in the Seagull Project in the U.K. North Sea (participation ended in 2025)
- Commenced operation of the mega solar power plant on Hokkaido District Office
- Commenced operation of the Soma LNG Terminal
- Commenced commercial operation of the Fukushima Natural Gas Power Plant
- Achieved target of injecting 300,000 tons of CO₂ in the Tomakomai CCS pilot test conducted through Japan CCS Co., Ltd.

Transition of net sales*2

Events which impacted the crude oil market

(Billions of yen)



*1 Crude oil and natural gas trapped within geological layers with low porosity and permeability. These resources are developed by means of fracturing with horizontal wells.

*2 Non-consolidated net sales up to 2002, and consolidated net sales in 2003 and later.

JAPEX's Strengths

A 70-year history of accumulating technical expertise and achievements through geologically challenging domestic E&P operations since our founding. Our experience in leading E&P across phases such as exploration, development, and production directly supports the expansion of our overseas business, while also serving as a source of the achievements and knowledge essential to commercializing CCUS. By leveraging our expertise and portfolio management, we will build our earning power for the future.



Comprehensive technical capabilities in E&P

P.39



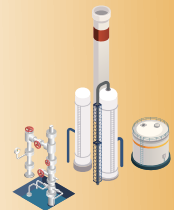
Achievements

A 70-year history of integrated operations spanning exploration, development, production and transportation, since our founding



Strengths

Technical prowess that we have accumulated in geologically challenging domestic E&P operations



Pioneer in domestic CCUS projects

- Successful injection of 300,000 tons of CO₂ to date in the pilot test as a lead participant of Japan CCS Co., Ltd.
- Leading the efforts to commercialize Japan's first CCS project, including exploratory drilling and other work

Leading track record and expertise in domestic CCUS projects and relationships of trust with stakeholders

- Divestment of businesses including the E&P subsidiary in the U.K.
- Transfer/acquisition of E&P assets in Indonesia
- Swap of E&P assets in Norway
- Transfer of gas business in Hokkaido

- Rigorous management of portfolio
- Decisive action on portfolio replacement



Portfolio management

Expand the overseas business by leveraging our expertise and experience accumulated in domestic E&P operations and CCUS projects

P.15 JAPEX Management Plan 2026-2035

Roadmap to Our Vision

JAPEX announced the "JAPEX Management Plan 2026–2035 (Building Core Assets toward 2035)" in April 2026.

In the new Management Plan, we have set out our medium- to long-term vision of becoming a *global company with a net profit exceeding ¥100 billion*. To achieve this vision, we have developed a roadmap for the 10-year period beginning in FY2026, divided into two phases. We have positioned the first half of the period, through FY2030, as the phase to build core assets, focusing on overseas E&P and CCUS, and the second half, from FY2031 onward, as the *full-earnings-contribution* phase, during which the core assets will generate significant profits.

As we work to build core assets, we will promote corporate structure transformation to strengthen our management foundation, thereby building a resilient portfolio and achieving sustainable growth in corporate value.

P.15 ▶ JAPEX Management Plan 2026–2035

Initiatives to achieve our medium- to long-term vision

Drive overseas E&P as
a key pillar

Monetize CCUS projects

Transform the corporate
structure

FY2031–2035

Core assets fully contributing to earnings

Maximize returns from the core assets we have built and grow overseas E&P and CCUS into core revenue drivers

- Profit attributable to owners of parent
¥75.0 billion
- ROE 10% or more
- Production volume* 100,000 boe/d

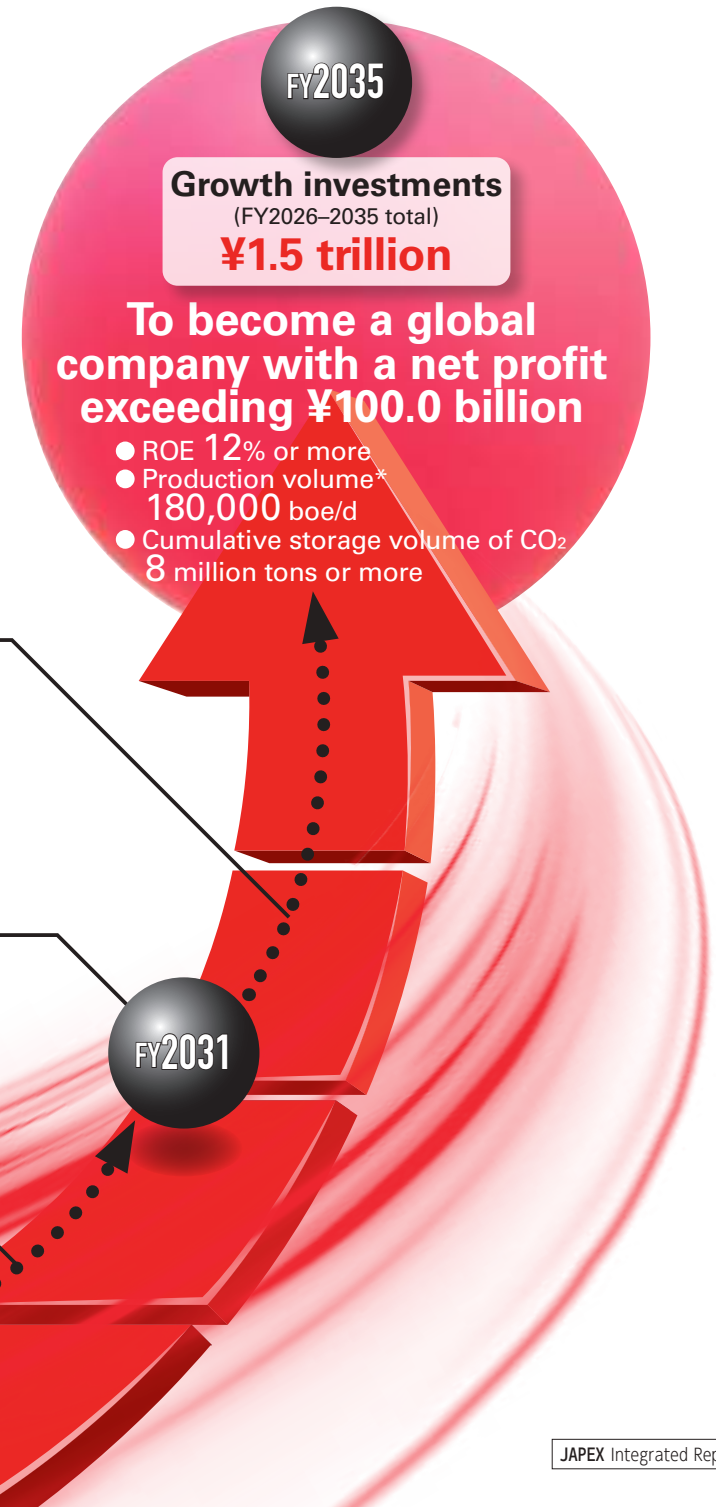
FY2026–2030

Phase to build core assets

Focus investments on the overseas E&P and CCUS areas that will serve as growth drivers, and build a solid business foundation

- Profit attributable to owners of parent ¥53.4 billion
- ROE 9.2%
- Production volume* 45,000 boe/d

* Production volume: Consolidated subsidiaries include non-controlling interests; the production volume of equity-method associates is represented in gross.



Value Creation Process

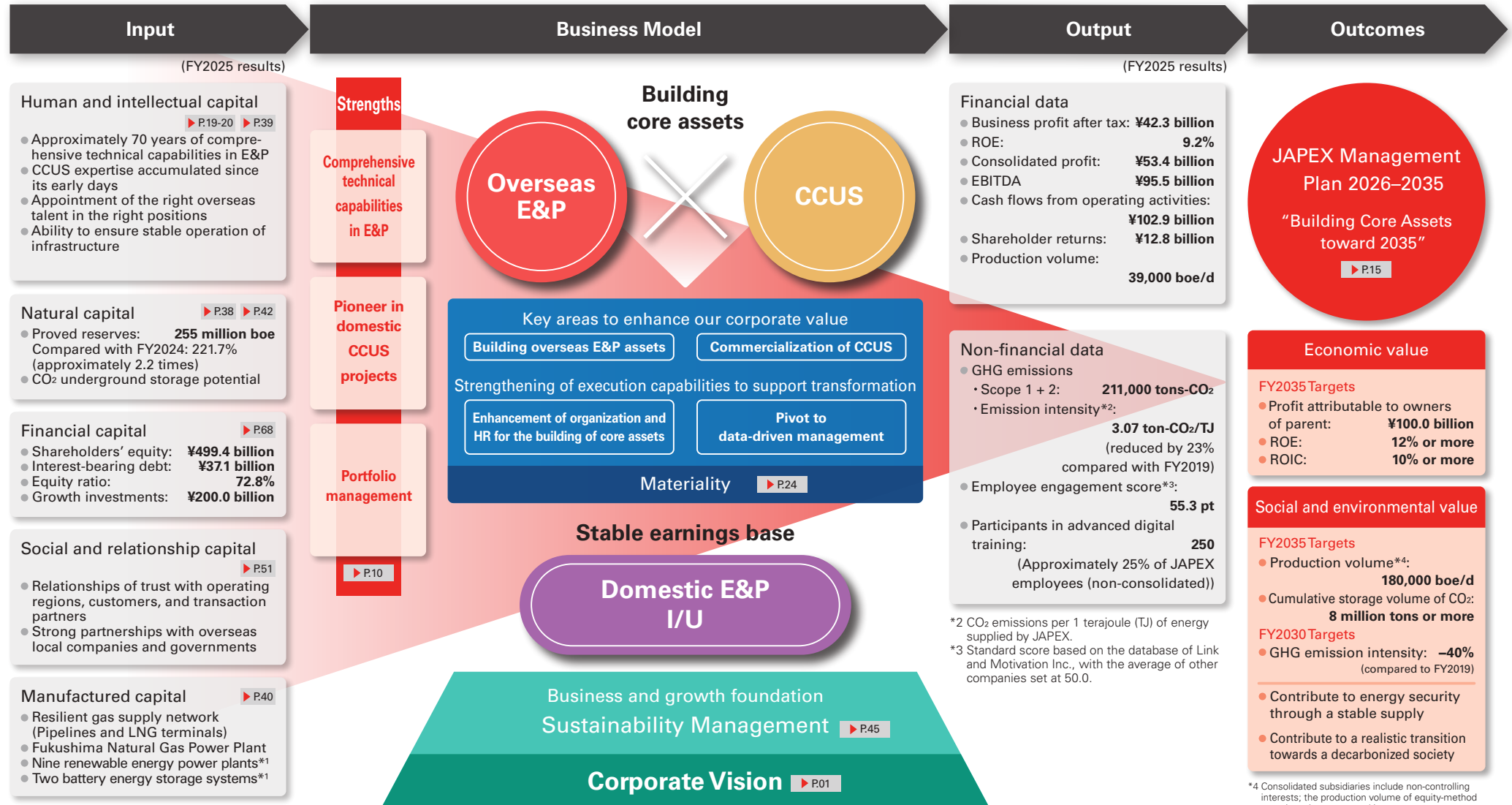
By making the most of various capital possessed by the JAPEX Group, we will fulfill our corporate social responsibility (CSR) to achieve both a stable energy supply and a carbon-neutral society while aiming for sustainable enhancement of our corporate value.

View on the External Environment

- Heightened geopolitical risks
- Renewed awareness of the importance of energy security and oil/natural gas

- Increase in electricity demand due to economic growth in emerging countries and the spread of AI
- Rising interest rates and cost of capital

- Volatility in crude oil and natural gas prices and exchange rates
- Risks associated with climate change



Growth Strategy

- 14 Review of the Previous Management Plan
- 15 JAPEX Management Plan 2026–2035: Building Core Assets toward 2035
- 24 Materiality
- 26 Financial Strategy (Message from the Officer in charge of Finance & Accounting Dept.)
- 28 Human Capital Strategy (Message from the Officer in charge of Human Resources Dept.)
- 32 Digital Transformation (DX) Strategy (Message from the Officer in charge of Corporate Strategy Division)
- 34 Climate Change Response
- 38 Overview by Business Field—E&P Field—
- 40 Overview by Business Field—I/U Field—
- 42 Overview by Business Field—CN Field—

Review of the Previous Management Plan

Review of JAPEX Management Plan 2022–2030

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

We achieved key targets considerably **ahead of schedule**, but challenges remain in terms of addressing the sustainability of earnings and rising cost of capital.

Achievements: Status of Achievement of Key Medium-term Management Targets

Key medium-term management targets	Targets in FY2026	FY2025 results	Results
Business profit* ¹	¥30.0 billion	¥42.3 billion	Achieved ahead of schedule
ROE	5%	9.2%	Achieved ahead of schedule
Non-E&P profit* ²	¥12.0 billion	¥17.0 billion	Achieved ahead of schedule
Growth investments* ³	¥275.0 billion	¥479.0 billion	Achieved ahead of schedule
Shareholder returns* ³	¥25.0 billion	¥80.0 billion	Achieved ahead of schedule

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

*2 Breakdown does not include corporate expenses. *3 Cumulative since FY2022.

Profit driven by overseas E&P business

Profits were driven by the tight oil and gas assets, in which we have accumulated participating interests as a non-operator*⁴ in the U.S., and the steady progress in exploration and development in Norway.

With tailwinds also from oil and gas prices, the overseas E&P business contributed significantly to profits on the whole.

*4 A contractual term used in the E&P business via collaboration between multiple partners. It refers to a party other than the operator.

Progress in non-E&P fields

Achieved the profit expansion target for non-E&P fields as the building of non-E&P assets such as renewable energy fields for biomass power operations in Japan and overseas LNG export terminals (Freeport, U.S.A.) made progress.

Growth investments (main assets acquired)

The U.S. : Tight oil and gas assets (Verdad assets, etc.), Freeport LNG Project in Texas
 Norway : Acquisition of production, exploration, and development assets through JAPEX Norge AS
 Japan : Biomass power generation (four locations)

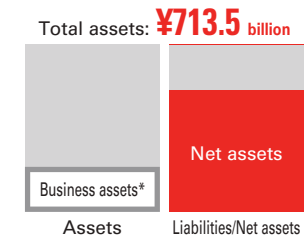
Challenges: Concerns over Sustainable Growth and Market Valuation

Concerns over sustainable growth

We are **halfway through building business assets** that contribute to sustainable growth.

The non-operator tight oil asset in the U.S. we acquired by the end of December 2025 made large profit contributions initially but its decline was also fast. As a result, it did not sufficiently grow as a medium- to long-term asset.

Consolidated Balance Sheet at the End of December 2025



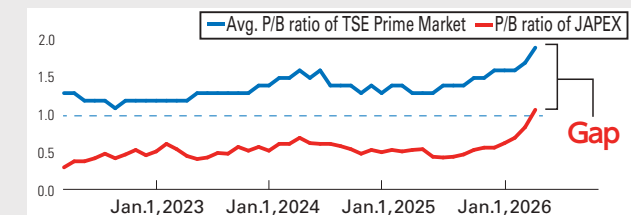
*Property, plant and equipment, intangible assets, investments in entities accounted for using equity method, among others.

P/B ratio gap (poor valuation)

P/B ratio trending above 1x as of March 2026, but the **gap remains against the TSE Prime average**.

Recognizes the cause as the stock market's skepticism towards our ability to ensure sustainable growth.

Gap in Market Valuation



View on the External Environment

The need for a realistic transition path toward a carbon-neutral society

Renewed awareness of the importance of stable energy supply due to rising geopolitical risks.

Fine tuning to a more pragmatic approach for the transition timing for achieving the goal of net-zero emissions.

Upward trend in oil and natural gas demand and CCUS adoption anticipated to grow to a certain extent as a key enabling technology for decarbonization.

Rising cost of capital along with the rise in interest rates

Shareholders' equity: Up from 8% to 10%
 WACC: Up from 6% to 8%

The ROE target (8%) in the previous Management Plan is below the rising cost of shareholders' equity (10%) and has diverged from the return level expected by investors and the market.

We will build assets that **enable both sustainable profit contribution and equity spread by tackling the issues head-on without getting complacent about our strong performance.**

JAPEX Management Plan 2026–2035: Building Core Assets toward 2035

Basic Policy

Build core assets and strengthen execution capabilities by focusing on overseas E&P and CCUS projects

Four definitions of core assets

- ① Assets that generate a profit exceeding the cost of capital
- ② Assets that possess a business scale significantly exceeding the production decline in domestic E&P
- ③ Assets that contribute to sustainable growth
- ④ Assets that have the potential to add unique value

Drive overseas E&P as a key pillar

	FY2025	FY2031	FY2035
Production volume	45,000 boe/d	100,000 boe/d	180,000 boe/d

* Consolidated subsidiaries include non-controlling interests; the production volume of equity-method associates is represented in gross.

Monetize CCUS projects

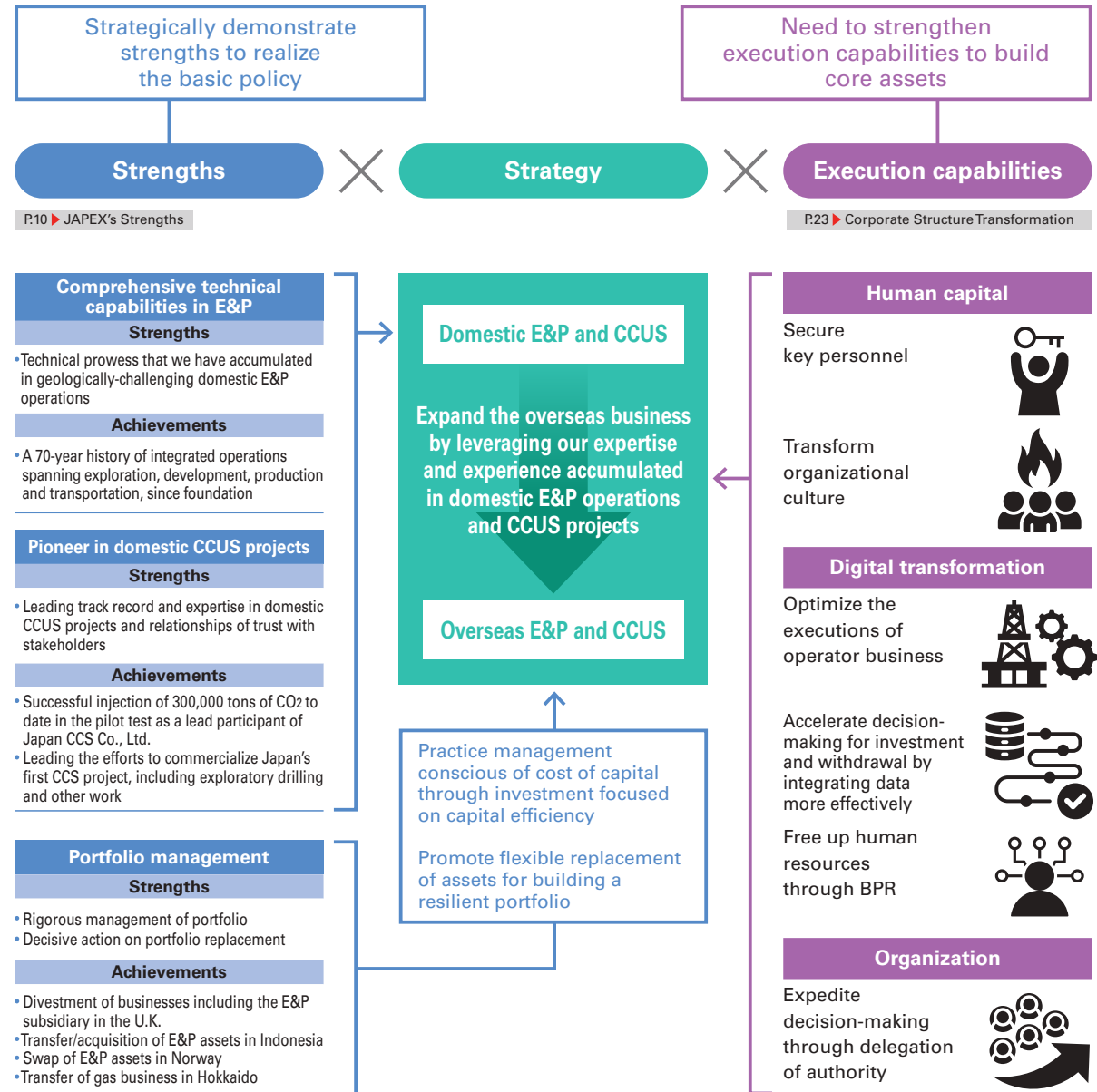
	FY2025	FY2031	FY2035
CO ₂ storage volume	—	Start storing 1.5 to 2.0 million t/year*	8 million t or more in cumulative

*Equivalent to annual CO₂ emissions of 600–800 thousand households.

Transform the corporate structure

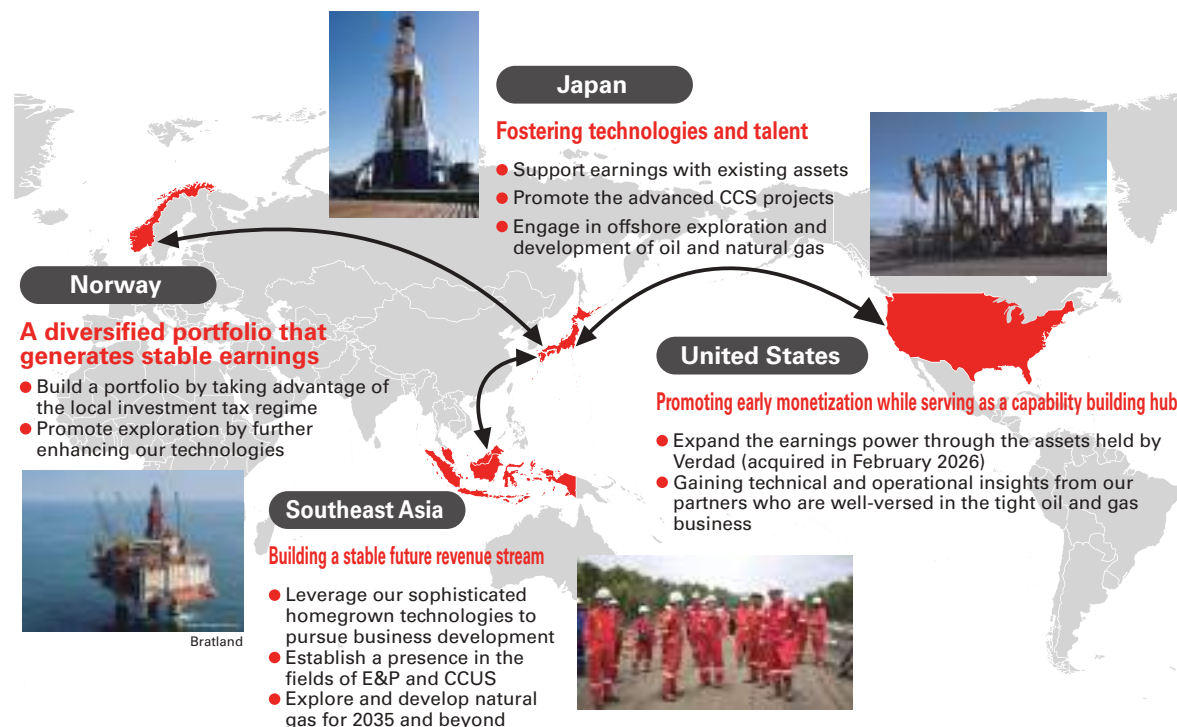
Develop an organization/team of professionals that enable the build-up of core assets

Building Core Assets



—Overview of Business Strategy by Area—

Focusing management resources on the four areas where we can leverage our strengths



Message from the Officer in charge of Overseas Business Division

Relay of Path to Success Across Japan and Three Overseas Areas

Director and Senior Managing Executive Officer
President of Overseas Business Division

YAMADA Tomomi



The mission of overseas divisions, which are the growth area receiving the largest amount of funds, is to pursue both expansion of scale and high capital efficiency to drive forward dramatic company-wide growth. We will fulfill our responsibility to achieve the company-wide goals by creating returns exceeding cost of capital while globally enabling both stable energy supply and initiatives related to climate change.

We identified three areas for growth investments: the U.S., Norway, and Southeast Asia. In selecting these regions, we had repeated discussions from the perspective of finding areas where we can draw up a path to success leveraging our strengths to the maximum extent, while also considering the robustness of the portfolio characterized by diversification of geographical risks, resilience against international energy price fluctuations, and capability to adapt to decarbonization.

As a result, we decided to place the **relay of path to success** as the central pillar of our strategy, in which we assign core talents trained at operating sites in Japan to the frontline overseas to take advantage of the features of and synergies between the areas while circulating funds and expertise in a timely manner. This will be done by combining the **technical and business capabilities nurtured in Japan**, where exploration and development of oil and gas is highly challenging, with the talents, organizations, and teams made up of local professionals and JAPEX's human resources.

The United States: We, as the operator, will operate the tight oil and gas assets and expand the business, and absorb knowhow by placing a number of JAPEX employees in the local team. We will use the funds we generate here to support gas exploration and development in Southeast Asia and Norway over the medium to long term.

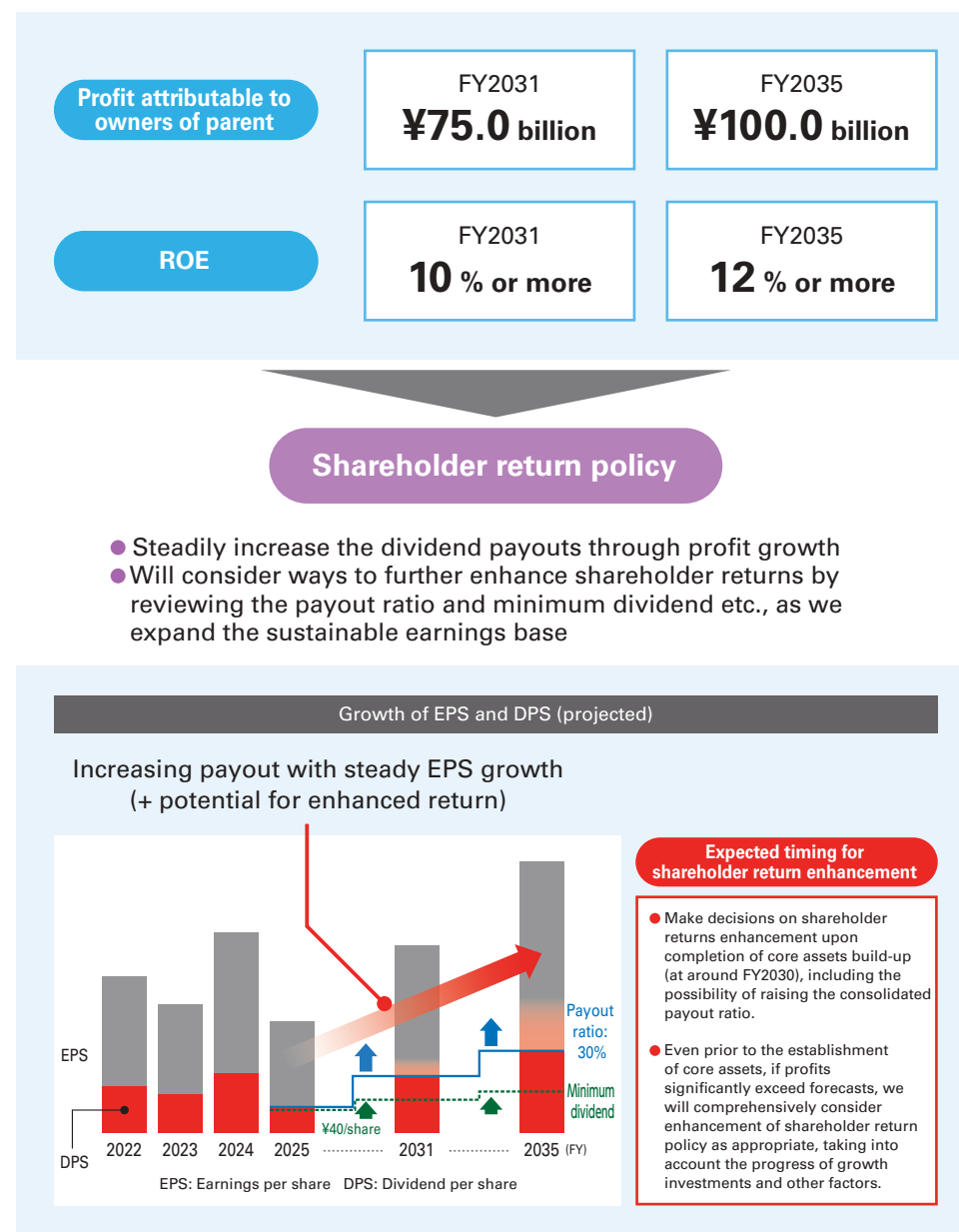
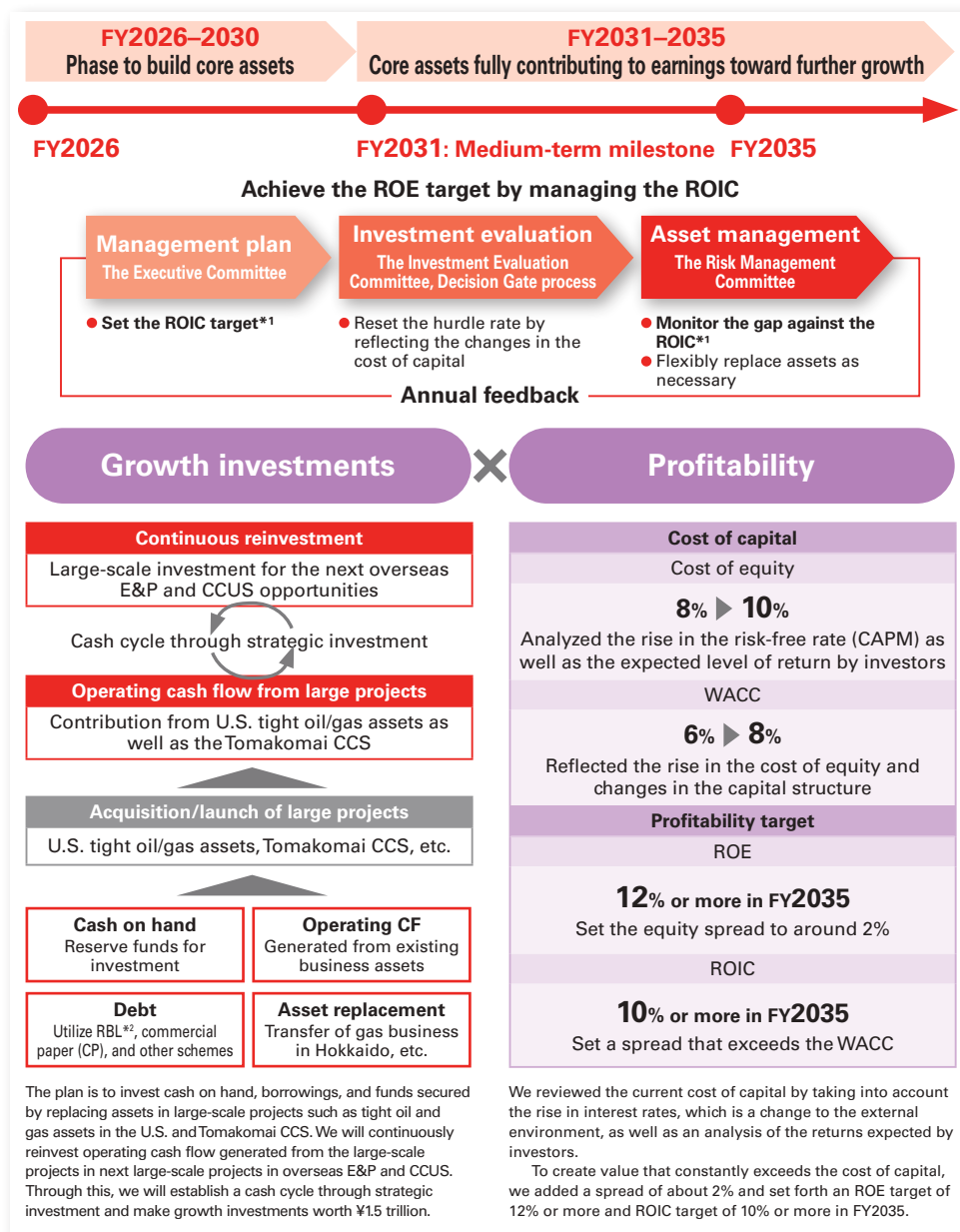
Norway: We aim to increase the production capacity through asset acquisition by taking advantage of the local investment tax regime and combining the expertise of JAPEX with the local team. Simultaneously, we will also improve business profitability through exploration. Once we secure stable profits, we will expand our activities to unexplored offshore blocks in pursuit of gas. We will apply the exploration techniques honed in Norway in Southeast Asia and other areas.

Southeast Asia: We will drive forward development of the gas assets in which we have interests, while applying the technologies we have developed in Japan at geologically similar oil and gas fields. We will create more business opportunities using the business model that integrates CCUS, where JAPEX's strength lies, and oil and gas field development. Our employees, who have gained experience as local team leaders, will lead large-scale gas exploration and development in the future.

We will integrate the technologies and human resources from Japan, the funds and operation capabilities built up in the U.S., the exploration and development in Norway, and the gas value chain in Southeast Asia across borders in relaying the path to success, and **achieve production volume of 180,000 boe per day, about four times the current level, and ROE of 12% or more by 2035.**

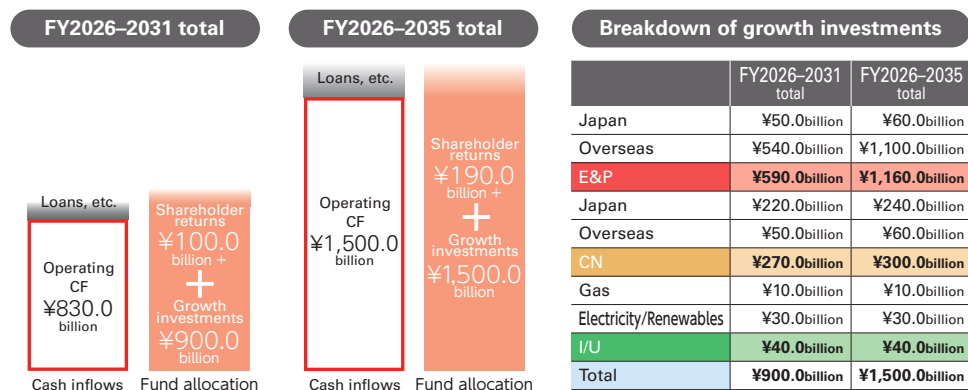
Area	Experience and track record	Local promotion system and partners	Development and assignment of human resources
United States	- Participation in and expertise of tight oil development in the U.S. for more than 10 years - Acquisition of operator assets (Verdad assets)	Peoria Resources, LLC, a joint venture with a local partner well-versed in the tight oil business	Development of next-generation global human resources - Building a firm collaborative framework with the partner through operation of Peoria Resources, LLC, the joint venture - Acquire business development and operator capabilities directly through the strategic dispatch of mid-career and young employees who will drive the next-generation overseas business
Norway	- Track record of portfolio replacement through asset swap - Expansion of portfolio by acquiring exploration assets through the licensing system of the Norwegian government	Wholly owned subsidiary JAPEX Norge AS headed by local top management with ample experience	Assignment of human resources with highly specialized skills and business development capabilities - Specialized talents of the technical divisions who apply our advanced subsurface evaluation technology locally - Business professionals who build portfolio
Southeast Asia	- Many years of experience in the operator business in Kangean Block - Solid network with the local government and state-owned enterprises	EMP Gebang Ltd., a promotion structure based on a deep tie-up with EMP, the partner company	Assignment of core human resources who drive business - Top management (general manager) of EMP Gebang, the joint venture - Advanced technical talents and business experts who lead development of highly complex assets in the frontline
Japan	- Comprehensive end-to-end E&P technical capabilities cultivated over 70 years since our founding - CCS expertise as a pioneer in domestic projects	Strong long-standing collaborative framework with business partner companies in Japan and business relationships with customers	Fostering technologies and talent Develop human resources with latest operating skills and CCUS expertise gained through practice at operation sites in Japan and strategically deploy and rotate them to the above three areas outside Japan

Build core assets with growth investments of ¥1.5 trillion to become a global company with a net profit exceeding ¥100.0 billion



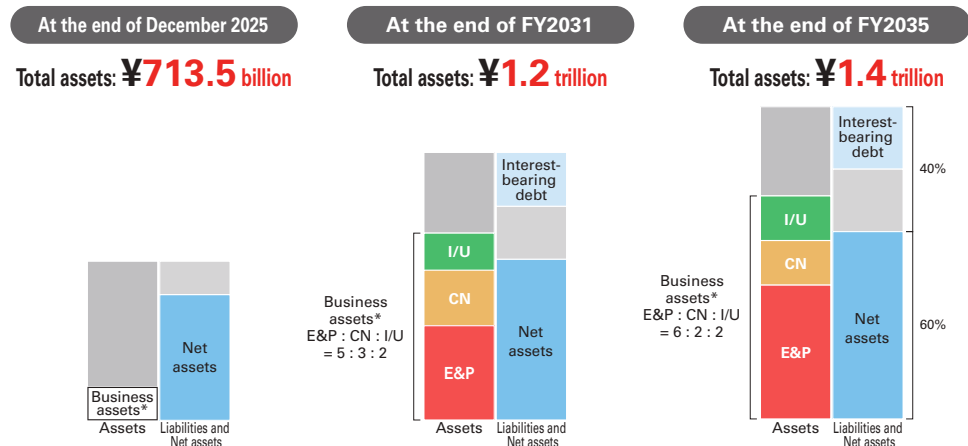
*1 New initiatives in the new Management Plan.
*2 Loans from banks using proven reserves, etc. as collateral.

Capital Allocation (Fund Allocation Plan)



- The sources of funds for this capital allocation plan are expected to be primarily ¥1.5 trillion in operating cash flow generated through continued reinvestment in large-scale projects. In addition, we plan to secure funding through the utilization of cash on hand, borrowings, and asset replacement.
- As the breakdown of growth investments shows, we will allocate a total of ¥1.5 trillion for growth investments in E&P, Carbon Neutral, and Infrastructure/Utility over 10 years from FY2026 to FY2035 and ¥190.0 billion or more in shareholder returns.

Balance Sheet at the Milestone Year (Projected)



*Business assets include property, plant and equipment, intangible assets, investments in entities accounted for using equity method, among others.

- The proportion of business assets within the total assets expanding to ¥1 trillion level as a result of building highly profitable core assets
- Aiming for an equity ratio of around 60% by the use of leveraged financing
- Maintaining disciplined finances with a Debt-to-EBITDA ratio of below 3x even under the conditions of crude oil price = USD50.00/bbl and exchange rate = JPY110.00/USD

Management Plan Targets at a Glance

	FY2031	FY2035
Assumption	Crude oil price: USD70.00/bbl* Exchange rate: JPY140.00/USD	
ROE	10% or more	12% or more
ROIC	8% or more	10% or more
Profit attributable to owners of parent	¥75.0 billion	¥100.0 billion
Business profit after tax	¥80.0 billion	¥120.0 billion
Business profit by business field (after tax)	Domestic E&P: ¥10.0 billion Overseas E&P: ¥40.0 billion CN: ¥20.0 billion I/U: ¥20.0 billion Others: –¥10.0 billion	Domestic E&P: ¥5.0 billion Overseas E&P: ¥75.0 billion CN: ¥25.0 billion I/U: ¥25.0 billion Others: –¥10.0 billion
Growth investments (cumulative since FY2026)	¥900.0 billion	¥1.5 trillion
Debt-to-EBITDA ratio	Below 3x even under the conditions of crude oil price = USD50.00/bbl and exchange rate = JPY110.00/USD	

*Internal assumption based on the IEA's forecast (USD75–80/bbl) from the "World Energy Outlook 2025 Stated Policies Scenario (STEPS)."

Crude Oil Price and Exchange Rate Sensitivity

	Assumption	Change	Profit as of FY2031	Profit as of FY2035
Crude oil price	USD70.00/bbl	USD1/bbl increase	Up ¥2.0 billion	Up ¥3.0 billion
Exchange rate	JPY140.00/USD	JPY1/USD depreciation	Up ¥0.5 billion	Up ¥1.0 billion

The United States

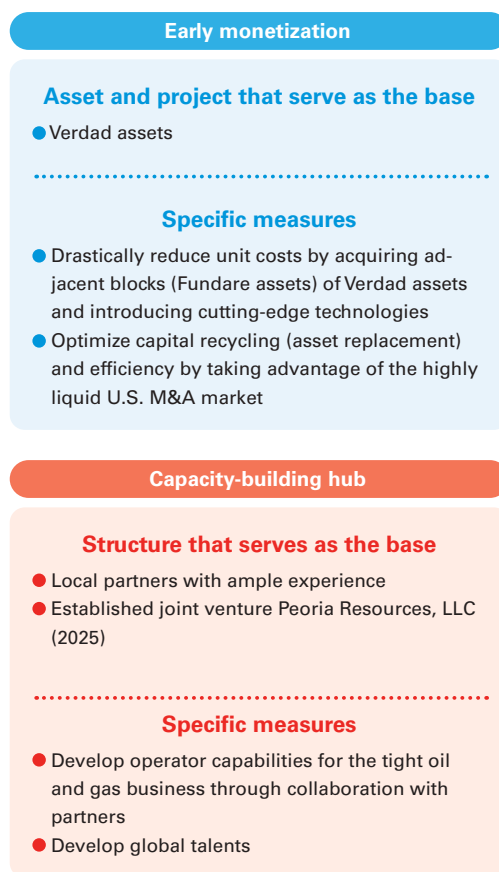
Promoting early monetization while serving as a capability building hub
Expand the earnings power through the assets held by Verdad
Gaining technical and operational insights from our partners who are well-versed in the tight oil and gas business

We have positioned our business in the U.S. as a hub driving early monetization and capability building. We have been participating as a non-operator in the tight oil development project in the U.S. for many years, building business expertise. With this experience and track record as the base, we will establish organizational capacity as an operator that takes the initiative in the development projects through collaboration with our local partners who are well-versed in the business.

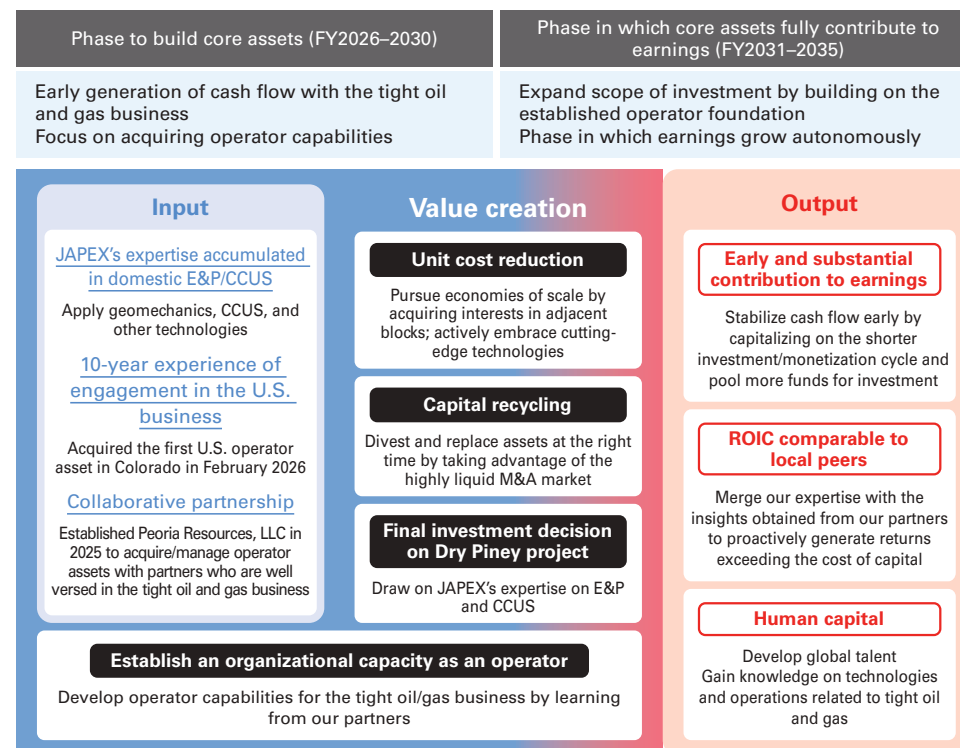
In the U.S. market, with highly liquid assets, we will leverage the value creation process to develop next-generation talents who can succeed globally and make large profit contributions that drive company-wide growth.

History of the U.S. business

- Aug. 2012**
Participated in tight oil development project (non-operator)
Acquired development interests for blocks in southern region of Texas
- Jan. 2013**
Expanded investment in the tight oil development project (non-operator)
Acquired interests for development of areas around the already owned blocks (Since then, we built up business expertise while expanding asset scale.)
- Jun. 2024**
Joined the Freeport LNG Project
Joined the overseas LNG supply infrastructure project
- Mar. 2025**
Established Peoria Resources, LLC
Established joint venture with local partners well-versed in the tight oil business
- Feb. 2026**
Acquires Verdad assets (operator)
Finalized acquisition of Verdad assets through Peoria Resources, LLC
- Aug. 2026**
Acquired Fundare assets (operator)
Finalizes acquisition of Fundare assets through Peoria Resources, LLC



Value Creation Process of the U.S. Business



Professional Talents Underpinning Our Overseas E&P Business

Peoria Resources



Chief Executive Officer (CEO)
Greg West
Former CEO of Treadstone
Mr. West has more than 30 years of executive leadership experience in the E&P industry, including 20 years at bp and 10 years in private equity. As a seasoned leader, his expertise encompasses engineering, finance, operations, and corporate strategy.



Chief Technical Officer (CTO)
David Kita
Former CTO of Treadstone
Mr. Kita brings broad experience from senior roles at bp and in private equity. He has a wealth of experience across corporate finance, strategy and M&A, as well as technical expertise in the subsurface.

A leadership team with extensive experience in the U.S., primarily at bp, and an invaluable network of personnel for tight oil and gas development.
At Treadstone, they successfully redeveloped old oil fields using modern tight oil and gas technology, thereby increasing their asset value prior to sale.

Norway

A diversified portfolio that generates stable earnings

Build a portfolio by taking advantage of the local investment tax regime

Promote exploration by further enhancing our technologies

Norway plays an irreplaceable role in ensuring stable energy supply in Europe and also has developed a superior business environment under strong government oversight. The country has a well-established system and our strategy is to participate in promising projects as a non-operator leveraging the local network of JAPEX Norge AS, which was made a subsidiary in 2024.

The aim of the strategy is to take advantage of Norway's generous investment tax regime to minimize exposure while building a stable portfolio through the acquisition of assets for production, development, and exploration. In the future, we will allocate the generated cash flow to exploration, pursuing the upside from successful exploration.

By building a mixed team with technical staff seconded from Japan and the local network as the mainstay, we will promote the business under a solid framework that combines local flexibility with the head office's governance and technical assistance.

Stable and long-term contribution to earnings

Strategy that serves as the base

- Portfolio development

Specific measures

- Maximize asset profitability by participating as a non-operator in multiple promising projects
- Minimize exposure by taking advantage of Norway's unique investment tax regime

Pursue exploration upside

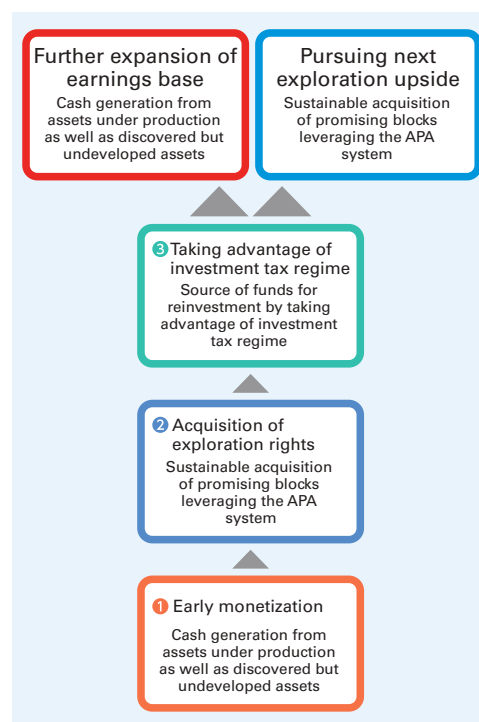
Asset and technology that serve as the base

- Assets under production as well as discovered but undeveloped ones
- Advanced subsurface technologies (geological/geophysical surveys, etc.)

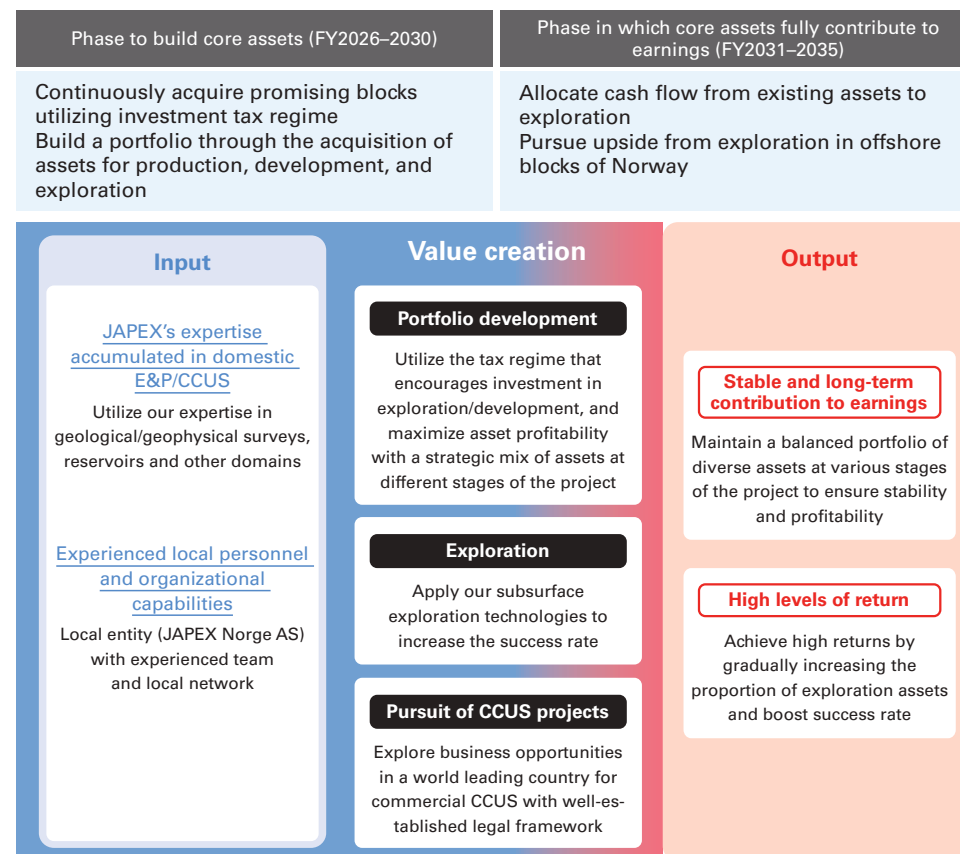
Specific measures

- Sustainably acquire promising blocks leveraging the APA* system
- Pursue upside from successful exploration by applying the advanced subsurface assessment technologies we accumulated in Japan

Flow of Investment Tax Regime Utilization



Value Creation Process of the Norwegian Business



Professional Talents Underpinning Our Overseas E&P Business

JAPEX Norge AS

Managing Director
Hilde Salthe

With over 20 years of experience in the Norwegian oil and gas industry, Ms. Salthe has held key positions at firms including DNO, Shell, Equinor, Talisman, Paladin, and Faroe Petroleum. Her extensive career spans a wide range of key roles, from geologist and subsurface manager to executive management.

Ms. Salthe has played a pivotal role as the local leader, driving the successful launch and strategic growth of our Norwegian operations and providing strong organizational leadership.

*An annual licensing system implemented by Norway to promote further exploration activities in areas where exploration has already been carried out.

Southeast Asia

Building a stable future revenue stream

Leverage our sophisticated homegrown technologies to pursue business development
Establish a presence in the fields of E&P and CCUS
Explore and develop natural gas for 2035 and beyond

In Indonesia and other countries of Southeast Asia, there are many undeveloped gas fields where development has been shelved due to the high CO₂ content. We will take this as an opportunity and leverage our CCUS and other technologies to establish our presence in the area by offering technology and leading the integrated development of such complex assets that other companies cannot carry out independently.

Further, we aim to participate in future large gas field exploration and development projects by leveraging our development record and first-mover track record in cross-border CCS projects as a powerful negotiating platform. Based on these strategies, we have positioned Southeast Asia as a key area to secure a sustainable earnings base from 2035 onwards.

Experience and Track Record

60-year history of operations

- Active involvement in upstream business in Indonesia and other countries since the 1960s
- Experience as operator in the Kangean Block in Indonesia

Geological analysis capability

- Application of technology honed through analysis of complex faults and reservoirs in Japan
- Ability to singlehandedly analyze and assess the distinctive geological characteristics of Southeast Asia

Long-standing relationships of trust

- Enduring partnerships with local governments and state-owned oil companies
- History of deep personnel exchanges

Integrated development of E&P and CCUS

Technologies and strengths that serve as the base

- CCUS and other technological capabilities
- Technology for analyzing complex faults and reservoirs honed in Japan

Specific measures

- Offer technology and lead the integrated development of complex assets (gas fields with high CO₂ content, etc.) that other companies cannot carry out independently.
- Establish a first-mover record in cross-border CCS, etc.

Participate in large-scale gas field projects

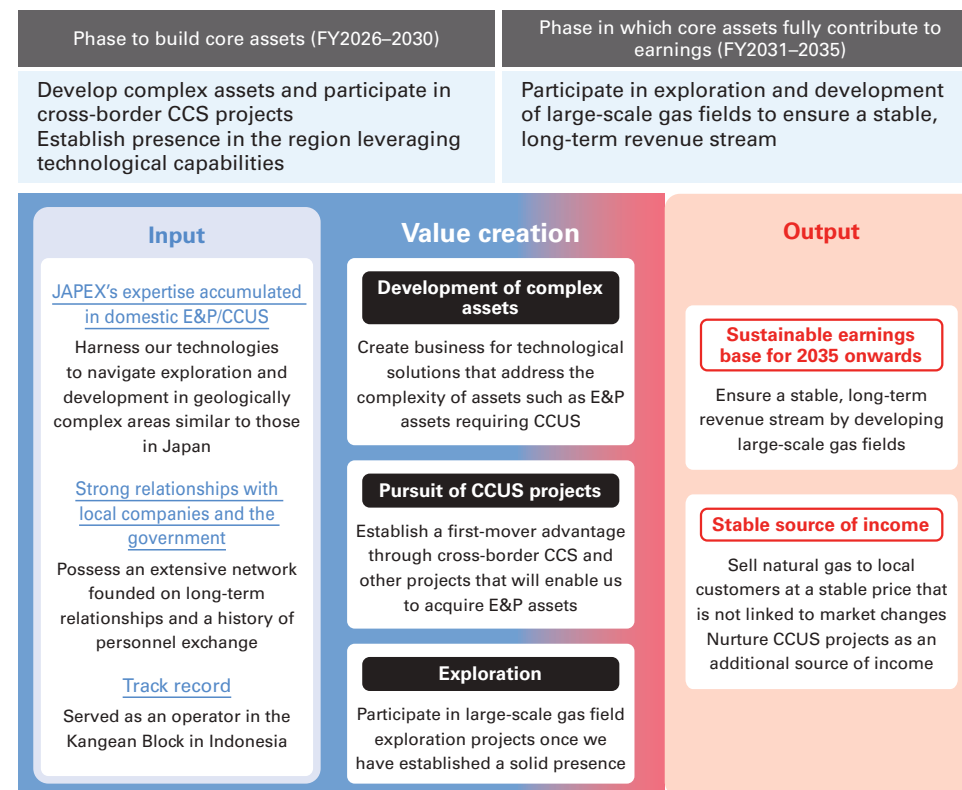
Track record and relationships of trust that serve as the base

- Experience as operator in the Kangean Block in Indonesia
- Multi-layered relationships of trust with local governments and state-owned oil companies

Specific measures

- Participate in future large gas field exploration and development projects by leveraging first-mover track record in integrated development as a negotiating platform
- Establish sustainable and stable earnings base for 2035 onwards

Value Creation Process of the Southeast Asian Business



Direct Hiring of Own Personnel for Key Management Posts (EMP Gebang)

Key positions	Human resources	Specific roles
General manager	Management level at Head Office (Tokyo)	Supervise business as top management of EMP Gebang. Responsible for top-level negotiations with local government and partners.
Senior technical engineer	Specialized talent with advanced technical skills	Ensure technological leadership in analyzing complex faults and reservoirs and integrated development of CCUS. Differentiate locally with the technology held by the head office.
Business development and commerce specialist	Specialized talent with advanced operational skills	Collaborate closely with the head office and lead from the front in feasibility assessment and financial governance in highly complex asset development.

Japan

Fostering technologies and talent

Support earnings with existing assets

Promote the advanced CCS projects

Engage in offshore exploration and development of oil and natural gas

The business in Japan serves as a stable earnings base that supports the build-up of core assets through steady operation of existing business. With the aim of building a new future revenue stream, we are promoting the CCS project in Tomakomai for monetizing CCUS and pursuing remaining production potential through additional onshore development as well as offshore exploration.

We also plan to free up human resources by improving operational efficiency through DX and BPR and utilize the domestic business field for practical training and development of specialized technical experts for overseas deployment.

Pursuing exploration potential and fostering technologies and talent

Technologies and environment that serve as the base

- Comprehensive technical capabilities in exploration, development, and production that we have cultivated over our 70-year history
- Domestic business field that will practically foster specialized technical experts

Specific measures

- Pursue remaining production potential in additional onshore development, etc.
- Free up human resources through promotion of DX and BPR

Promote CCUS projects and maintain stable earnings base

Track record and business that serve as the base

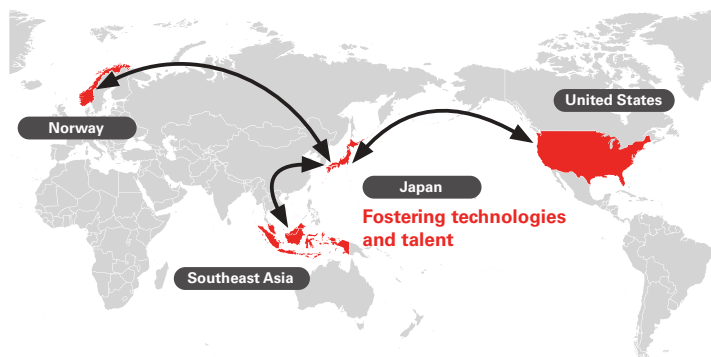
- Track record and expertise to lead domestic CCUS projects
- Pipeline network, LNG terminal, power generation business, and other infrastructure/utility assets

Specific measures

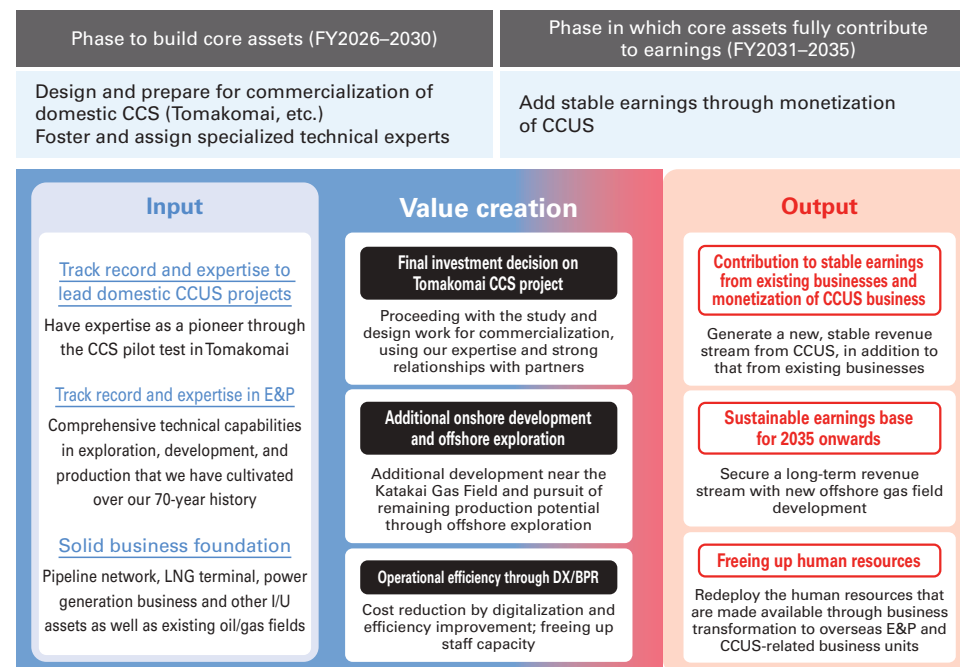
- Responsible for stable earnings base that supports the company as a whole through steady operation of existing business
- Promote final investment decision (FID) of Tomakomai CCS project

Fostering Technologies and Talent

Strategically redeploy in overseas business units after practical training in Japan



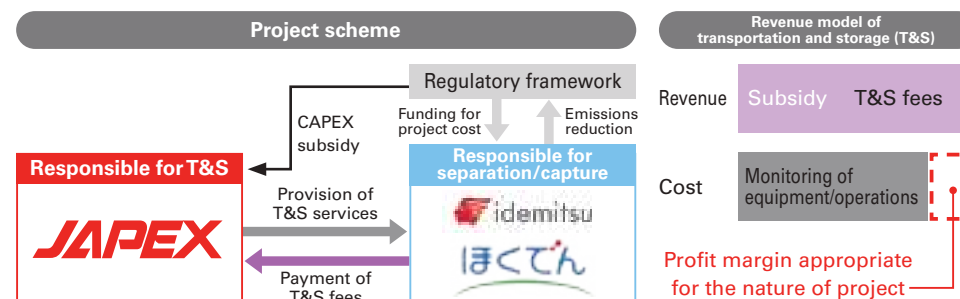
Value Creation Process of the Japan Business



CCS Project in the Tomakomai Area

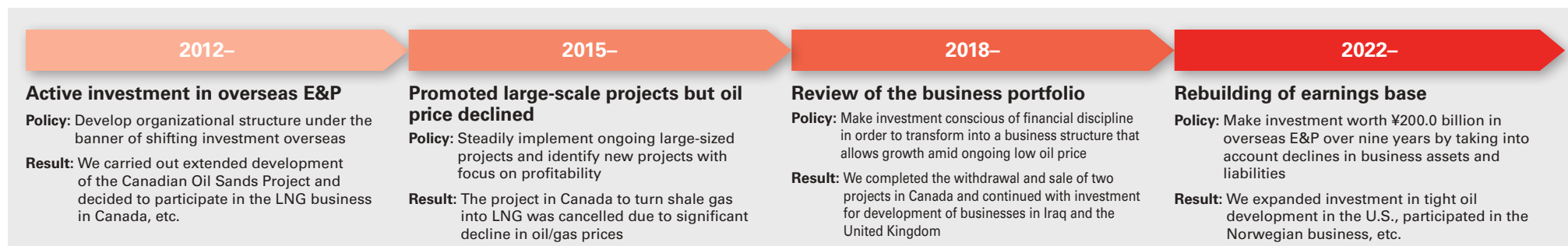
Overview

- Three companies based near Tomakomai City—JAPEX, Idemitsu Kosan, and Hokkaido Electric Power—have been engaged in a study of the entire CCS value chain (CO₂ separation and capture, pipeline transportation, injection and storage, and monitoring).
- The goal is to **start injecting CO₂ by the end of FY 2030** (with a storage capacity of 1.5 to 2.0 million tons/year).



—Corporate Structure Transformation—

Internal Challenges and Corporate Structure Transformation



The above is a brief background of the overseas E&P-related initiatives for each past management plan period.

Internal challenges that came to light

We analyzed the root causes behind our inability to build sufficient business assets (see P.14). This has revealed not only the changes in the external environment but the structural weaknesses of the company for completing and monetizing projects.

Shortage of specialized talents

Lack of a program to systematically assign highly passionate talents to key positions; lack of talents with strong capabilities especially in business and contract negotiations

Vertically segmented corporate culture

We tend to rely on efforts by the departments in charge of driving forward specific businesses, and there is low awareness to provide company-wide support

Lack of speed in decision-making

Insufficient system for flexibly responding to a worsening situation and an inadequate foundation to integrate data and accurately grasp the situation

Strengthen execution capabilities: Develop an organization/team of professionals that enable the build-up of core assets

Human capital

Secure key personnel

Transform organizational culture

Digital Transformation, Organization

Accelerate decision-making for investment by elevating data utilization

Optimize operation by leveraging advanced digital technology

Developing an organization/team of professionals that enable the build-up of core assets × Focusing on overseas E&P and CCUS to build core assets → Transforming corporate structure

Materiality

Previous

Challenges that should be addressed now, based on their role of connecting the core CSR themes with the Management Plan

With a mission to provide a stable energy supply, JAPEX had identified material issues based on core CSR themes centered on contributing to society through our business and has aligned them with the Management Plan.

Redefinition of Materiality

Redefinition

JAPEX Management Plan 2026–2035

Significant challenges to our growth strategy

We established concrete metrics and targets with respect to the significant challenges to our growth strategy for creating strong financial impact during the period of the new Management Plan.

● Background of Redefinition

The business environment surrounding JAPEX is undergoing a massive paradigm shift including return to energy security and increasingly sophisticated demands from the capital market.

Amid these changes, it is indispensable for us to strategically concentrate the limited management resources to maximize corporate value and achieve both sustainable growth and improvement in capital efficiency towards fiscal 2035.

To this end, we redefined the significant challenges to our growth strategy as material issues. We switched the focus of the discussions from the conventional CSR-based approach to a growth strategy as to where we can win, and linked the new material issues to that strategy.

We will, however, also continue with our existing CSR-related activities, which is an important social responsibility we need to fulfill.

● Process for Identifying the Material Issues

Step 1

Identify and evaluate challenges

Comprehensively identify challenges with large social and financial implications in consideration of the GRI Standards and other guidelines. Analyze our strengths and weaknesses by considering the external environment and sort out the challenges from the perspective of medium- to long-term risks and opportunities.

Step 2

Align with Management Plan

Verify the challenges through discussions among the management officers and managers. Align with the Management Plan formulation process and identify the significant challenges to our growth strategy.

Step 3

Verify financial impact

Confirm consistency with the financial targets of the Management Plan. Verify the magnitude of financial impact brought about by each challenge from the perspective of growth strategy and identify four key challenges directly linked to medium- to long-term improvement of corporate value.

Step 4

Finalize

Following discussions among general managers and officers at the Sustainability Committee, approve the new Management Plan including the redefined material issues at Executive Committee and Board of Directors.

Materiality: Metrics and targets

Key areas to enhance our corporate value

Building overseas E&P assets

Commercialization of CCUS

Strengthening of execution capabilities to support transformation

Enhancement of organization and HR for the building of core assets

Pivot to data-driven management

Metrics and targets

Production volume

FY2031: 100,000 boe/d

FY2035: 180,000 boe/d

GHG emissions reduction (Scope 1 + 2)

FY2030: 40% reduction in CO₂ emissions intensity (compared with FY2019)

Cumulative storage volume of CO₂

FY2035: 8 million tons or more

Metrics and targets

Develop a strategic talent pipeline aligned with business strategies
Reshape our organizational culture

Accelerate decision-making for investment by elevating data utilization
Optimize operation by leveraging advanced digital technology

Build core assets and create solid corporate value

Drive overseas E&P as a key pillar

Generate high added-value primarily through the operator business

Quadruple production volume by FY2035 compared to FY2025

Monetize CCUS projects

Store a cumulative total of at least 8 million tons of CO₂ by FY2035

Transform the corporate structure

Develop an organization/team of professionals that enable the build-up of core assets

—Risks and Opportunities—

We analyzed our strengths and weaknesses by taking into consideration our external environment and sorted out the risks and opportunities each of them brings about in business.

We will make sure to capture growth opportunities (upside) by leveraging our strengths to the maximum extent while appropriately controlling the downside risks. To take actions in response to these risks and opportunities strategically, we positioned the four material issues as significant challenges to our growth strategy. We will achieve the goals in the Management Plan and sustainably improve corporate values by addressing these challenges.

Awareness of the external environment (macroeconomic trend, market requirements)	Strengths and weaknesses	Risks	Opportunities	Materiality	Metrics and targets
- Return to energy security reflecting intensifying geographical risks - A medium- to long-term increase in electricity and natural gas demands due to economic growth of emerging countries and spread of AI - Continued high volatility in oil and gas prices	Strengths - Comprehensive end-to-end technical capabilities cultivated over 70 years in exploration, development, and production in the complex and geologically challenging oil and gas fields in Japan Weaknesses - Insufficient experience as a production operator outside Japan	- Negative impact on business performance caused by declines in oil and gas prices as well as sudden fluctuations in exchange rates - Unexpected political, legal, and taxation changes in the countries where we have investments (country risks) - Possible impairment of business value due to rapid progress in decarbonization - Financial burden of carbon pricing (Green Transformation Emission Trading Scheme by the Japanese Government)	- Early generation of cash flow with short-cycle assets such as tight oil in the U.S. - Flexible replacement of assets in the highly liquid North American and European markets (capital recycling) - Risk management through the generous local investment tax regime in Norway - Establishment of stable long-term earnings base through joint development of E&P and CCUS in Southeast Asia	Building overseas E&P assets	Production volume FY2031: 100,000 boe/d FY2035: 180,000 boe/d GHG emissions reduction (Scope 1 + 2) FY2030: 40% reduction in CO₂ emissions intensity (compared with FY2019)
- Response to global climate change (acceleration of decarbonization and GX investments) - Progress in CCS-related legislation and hub framework in the U.S. and Southeast Asia	Strengths - Track record in exploratory drilling and prior expertise in pilot testing (Tomakomai) for the first commercialization of CCS in Japan - E&P and CCUS technological capability Weaknesses - Lack of experience and expertise to execute swift commercialization	- Delay in commercialization due to rollback of climate change measures and delays in and changes to support programs of various countries - Deterioration in profitability due to delays in technology development and unanticipated rise in operation costs	- Establishment of first-mover advantage as the pioneer in the expanding domestic decarbonization market - Acquisition of promising overseas (Southeast Asia, etc.) E&P assets leveraging advanced CCUS technological solutions	Commercialization of CCUS	Cumulative storage volume of CO₂ FY2035: 8 million tons or more
- Liquidity in the labor market and intensifying competition for acquiring highly skilled global specialists - Strong demand from the capital markets for sustainable improvement in corporate value (elimination of the gap in P/B ratio with the market average)	Strengths - Presence of local professionals in U.S. and Norway who can drive the business forward with their abundant experience and personal network Weaknesses - Qualitative and quantitative shortage of human resources supporting full-scale shift to overseas business	- Loss of overseas growth opportunities due to delays in securing and fostering human resources necessary for full-fledged expansion of overseas business - Slowdown in decision-making due to stalled organizational culture reforms	- To powerfully promote business growth, we will secure personnel for key positions with the skills necessary to drive business development such as expertise in overseas E&P and CCUS through human resource development and assignment linked to the business strategy - Swift and flexible response to the diverse challenges accompanying overseas business expansion by shifting to a culture where employees can have job satisfaction and by building an organization where each one of them can work autonomously	Enhancement of organization and HR for the building of core assets	Develop a strategic talent pipeline aligned with business strategies Reshape our organizational culture
- Rapid evolution of generative AI and digital technology and their integration into the business model - Requirement for global governance and strengthening of information security including for overseas subsidiaries	Strengths - Completion of development and transition (DX-Ready) to integrated data infrastructure (Central Kitchen) that centrally stores and integrates operational data and management information, which used to be dispersed around domestic sites and elsewhere Weaknesses - Delays in sharing and information asymmetry caused by personnel-dependent manual integration of operational data and management information between overseas sites and head office	- Resource shortage due to remaining legacy business processes and delays in management decisions and inefficient operations brought about by delays in data integration between head office and overseas - Suspension of business operations and other significant business risks stemming from cybersecurity vulnerabilities	- Smart transformation of business through introduction of BPR and AI and shifting of freed up resources to growth areas (overseas E&P and CCUS) - Real-time decision-making on investment and withdrawal utilizing the integrated data infrastructure as well as optimization of development and operations by combining domestic E&P technological capabilities and AI - Solid infrastructure such as zero trust architecture that safely and swiftly support overseas expansion and data integration	Pivot to data-driven management	Accelerate decision-making for investment by elevating data utilization Optimize operation by leveraging advanced digital technology

Financial Strategy—Message from the Officer in charge of Finance & Accounting Dept.—

Maximizing Capital Efficiency through the Use of Debt and Disciplined ROIC Management to Realize Growth Investments of ¥1.5 trillion

Executive Officer
In charge of Finance & Accounting Dept.

NISHIMURA Yutaka



Review of Financial Strategy through FY 2025: Securing Liquidity on Hand and Replacing Assets

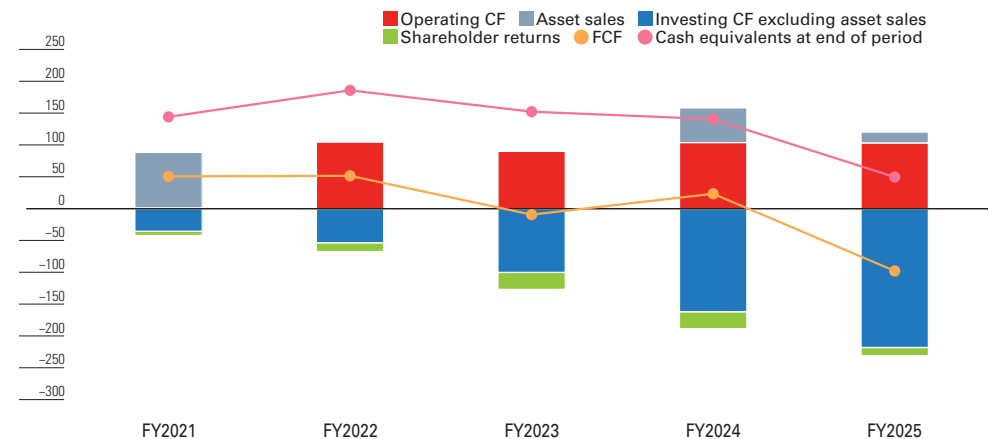
After JAPEX sold wound up its two worrisome businesses in Canada in fiscal 2021, the Company secured funds for growth investments mainly by implementing measures to expand liquidity on hand and by selling various owned assets from FY 2022 through fiscal 2025. Investments over these four years totaled ¥479.0 billion, exceeding the ¥450.0 billion investment budget set for the nine-year period of the previous Management Plan. We believe we made steady progress in terms of the scale of investment.

We took two steps to expand our liquidity on hand. First, we increased the number of subsidiaries participating in cash pooling and raised the balance of deposits received (totaling approximately ¥50.0 billion as of the end of June 2026), and through centralized fund management we worked to prevent cash from lying idle. In addition, we issued commercial paper for the first time in fiscal 2024 for the purpose of stabilizing working capital.

We also made progress on the replacement of existing assets. Following the sale of strategic shareholdings (slightly over ¥50.0 billion) and participation in the Freeport LNG Project in the U.S. (about ¥60.0 billion) in fiscal 2024, in fiscal 2025, the Company sold its U.K. E&P subsidiary and domestic petroleum products sales subsidiary (roughly ¥17.0 billion for the two companies combined) and decided to sell the gas business in Hokkaido (¥31.0 billion). Meanwhile, JAPEX acquired tight oil and gas assets in the U.S. and entered the long-sought operator business there, while also acquiring promising assets in Norway and Indonesia, executing investments totaling ¥200.0 billion.

The graph on the right shows by fiscal year a breakdown of cash flows (CF), including asset replacement, and the balance of cash equivalents from fiscal 2021 onward.

Trends in Operating CF, Investing CF and Cash Equivalents at End of Period, FY2021–2025 (Billions of yen)



Cash equivalents at end of period, which had remained at around ¥150.0 billion, also fell to about ¥50.0 billion as of the end of the fiscal year ended March 31, 2026. The Company rebuilt a *lean* balance sheet that does not leave liquidity on hand idle.

During this period, we also strengthened shareholder returns. The Company bought back approximately ¥27.0 billion of shares from fiscal 2021 to fiscal 2024, and starting in fiscal 2025, raised the minimum annual dividend per share from ¥10 to ¥40.

—Message from the Officer in charge of Finance & Accounting Dept.—

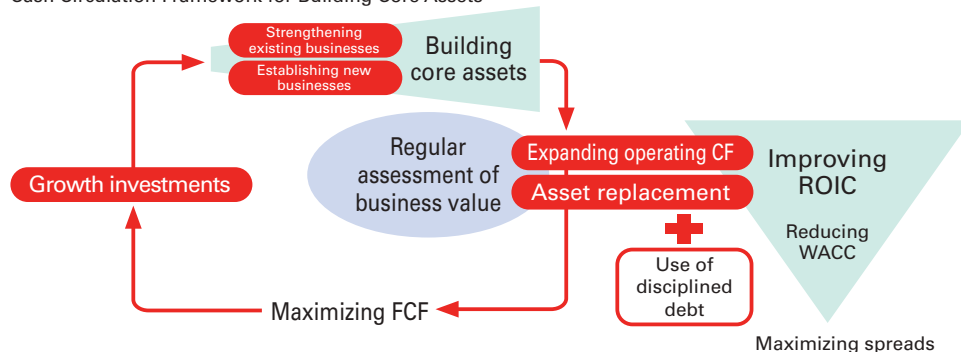
Strengthening of Investment Cycle that Builds Core Assets

In the new Management Plan, we set as our basic policy the building of core assets through a focus on the overseas E&P business and CCUS projects, together with the strengthening of the execution capabilities that support this. We have set targets of a production volume of 180,000 boe/d in the E&P business and a cumulative CO₂ storage volume of 8 million tons or more in the Carbon Neutral (CN) business by fiscal 2035, and we have decided to execute growth investments of ¥1.5 trillion over the 10 years from 2026.

To support these enormous growth investments of ¥1.5 trillion, we must now shift, in addition to our measures to date, toward an offensive management of the balance sheet that leverages debt. By adding the use of debt, such as reserve-based lending (RBL: borrowing from banks secured by reserves) and financing through corporate bonds, we intend to expand the operating CF of both existing and new business assets. RBL is a common financing method in the U.S. and elsewhere, and because it is backed by the cash flow that a project generates, it enables disciplined debt procurement. As a first step in using this *disciplined debt*, JAPEX executed an RBL of US\$361 million through its local subsidiary Peoria Resources, LLC in the acquisition of the tight oil and gas assets in the U.S. (the Verdad assets), which was completed in February 2026.

The framework in the diagram below shows the overall process by which operating CF and asset replacement generated from existing businesses serve as the starting point of the cycle and lead to the building of core assets as the final outcome (our goal).

Cash Circulation Framework for Building Core Assets



In addition to the operating CF generated by our existing businesses, we will incorporate the sale of low-margin assets and other measures as positive factors in investing CF, thereby maximizing free cash flow (FCF). The Company will take on debt to secure sufficient funds for investment.

In allocating these secured funds to growth investments, we will optimally distribute resources in two directions: strengthening existing businesses and establishing new businesses.

First, under strengthening existing businesses, the Company will acquire additional adjacent blocks around its existing business foundation, centering on tight oil and gas development in the U.S., where JAPEX takes the lead as operator, and thereby build up peripheral assets that enhance operational and

development efficiency. This will reduce development and operating unit costs and strengthen the funding cycle that maximizes the profitability of our U.S. business. Meanwhile, in our E&P business in Norway, Indonesia and elsewhere, we will advance efficient joint development suited to regional characteristics and the maturity of each project, and steadily promote monetization as part of our core assets.

Next, under establishing new businesses, we aim to achieve early commercialization and establish an earnings base in the Tomakomai CCS project in Japan and other projects by making the fullest use of the technological capabilities and pioneering track record we have accumulated to date. By continuing this cash cycle for building core assets, we will put growth investments of ¥1.5 trillion within reach.

In August 2026, JAPEX decided to acquire a 100% stake in Fundare Resources Operating Company, LLC, Fundare Redtail, LLC, Rangeview Resources Operating Company, LLC, and Rangeview Green River, LLC (collectively "Fundare"), which are in close proximity to the Verdad assets in the U.S., for approximately US\$320 million, in a bid to build our core assets. This acquisition of the Fundare assets offers extremely high operational synergies with the Verdad assets, and we will steadily advance monetization within the cash cycle.

Disciplined Growth Investments

Through growth investments of ¥1.5 trillion, JAPEX's balance sheet will expand to total assets of ¥1.4 trillion at the end of fiscal 2035. By utilizing an appropriate level of interest-bearing debt, we expect the equity ratio to decline to around 60%. Even so, our policy is to maintain a debt-to-EBITDA ratio below 3x, even under the conservative assumptions of a crude oil price of \$50 per barrel and an exchange rate of ¥110 to the U.S. dollar.

JAPEX will utilize ROIC to achieve its ROE target during the new Management Plan, and it has set a target for ROIC of 10% or more by fiscal 2035. When participating in each project, management sets a target ROIC, monitors the gap against that target over time, and replaces assets as necessary. This will ensure disciplined growth investments.

In addition, as a medium-term milestone of the new Management Plan, we have set targets of ROIC of 8% or more and ROE of 10% or more in fiscal 2031. Should we gain a clear view of achieving these targets on a stable basis, or should our profit scale significantly exceed our assumptions before then, we will make a comprehensive decision, taking into account the progress of our growth investments and other factors, on whether to enhance shareholder returns as each opportunity arises.

To ensure the achievement of the new Management Plan, we will place even greater emphasis on dialogue with the capital markets and work to enhance our corporate value while sincerely taking your opinions to heart.

Human Capital Strategy –Message from the Officer in charge of Human Resources Dept.–



Fostering Professional Teams That Can Build Core Assets

Director, Managing Executive Officer
In charge of Administration Dept. and Human Resources Dept.

FUNATSU Jiro

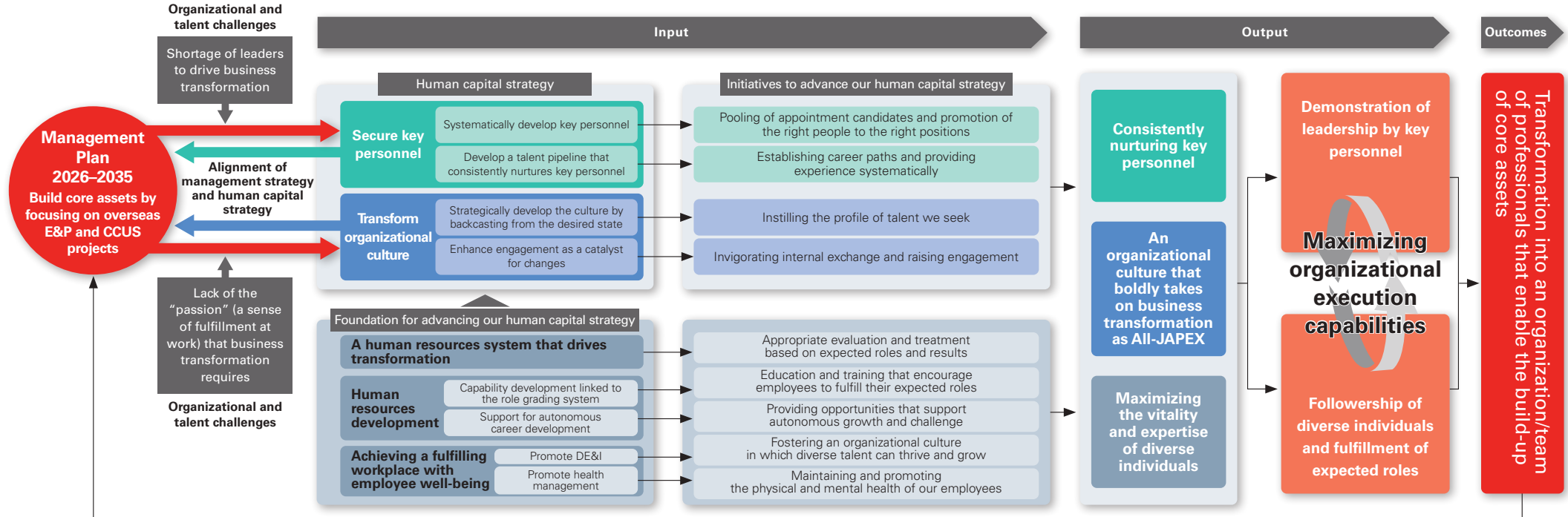
Basic Policy of Our Human Capital Strategy

To build the core assets set out in the Management Plan by focusing on overseas E&P and CCUS, JAPEX will firmly align its management strategy with its human capital strategy and strongly commit to executing these strategies. Specifically, we address challenges such as a shortage of leaders to drive business transformation and a lack of the “passion” (a sense of fulfillment at work) that business transformation requires, and we pursue “secure key personnel” and “transform organizational culture” as the two axes of our strategy.

To execute this strategy with certainty, we must build an environment in which diverse employees stay healthy in both mind and body, apply their abilities with motivation and grow. Therefore, as the “foundation” supporting our strategy, we work to realize a fulfilling workplace with employee well-being through DE&I and health management, and building on a human resources system that encourages transformation (the role grading system), we promote skills development linked to the role grading system together with support for autonomous career development as a single integrated effort.

Through these initiatives, we form an organizational culture that boldly takes on business transformation and, by combining the leadership of key personnel with the fullest possible contribution of diverse individuals, we maximize the resilient organizational execution capability needed to carry out our business strategy through, thereby transforming ourselves into an organization/team of professionals that enable the build-up of core assets.

How Our Human Capital Strategy Contributes to Achieving the Management Plan



Securing Key Personnel

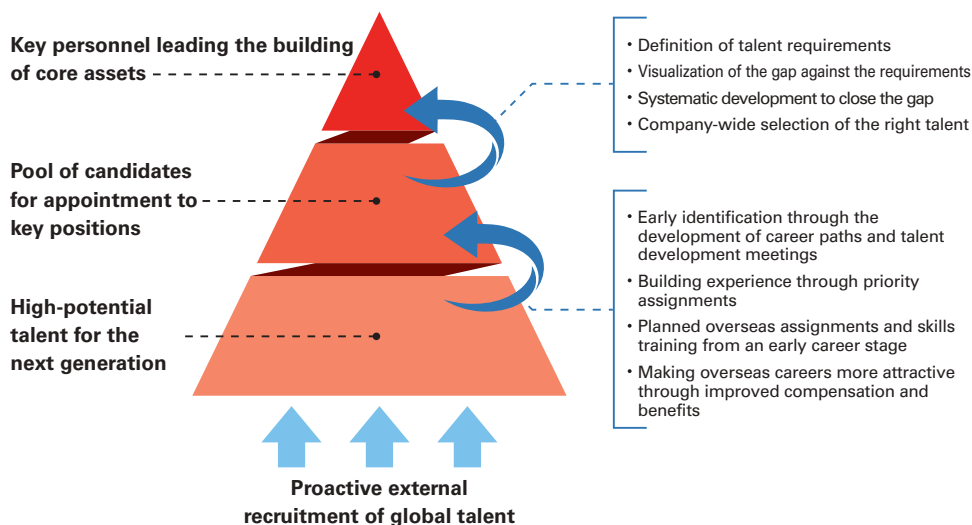
● Systematically developing key personnel

To align our business strategy with our human capital strategy, we will first identify the important posts that drive our business toward the building of core assets as “key positions.” To realize our strategy and secure the most suitable personnel for these key positions, we will systematically define the required talent criteria, visualize the gap against the current situation and build a company-wide candidate pool. In addition, to close this gap, we will advance systematic development through strategic assignments and transfers that allow candidates to gain the experience they need. By providing such practical experience and selecting the right people from across the company, we will secure the key personnel who will lead the building of core assets.

● Developing a talent pipeline that consistently nurtures key personnel

To continuously nurture the right people for key positions, we will develop a “talent pipeline” that continuously enhances the talent pool of appointment candidates. Specifically, we will establish career paths based on the requirements for key positions and identify high-potential talent for the next generation at an early stage through regular talent development meetings and other measures.

We will give priority to assigning the high-potential talent we identify to positions where they can acquire the necessary capabilities and let them gain intensive experience. We will also cultivate practical business execution capabilities through systematic overseas assignments from an early career stage and provide training that enhances skills and language proficiency. Furthermore, we will make careers built overseas more attractive by improving the compensations and benefits of overseas postings and other measures, thereby strongly supporting the development cycle. By comprehensively advancing such in-house development together with proactive external recruitment, we will form a deep pool of global talent that continuously nurtures key personnel.



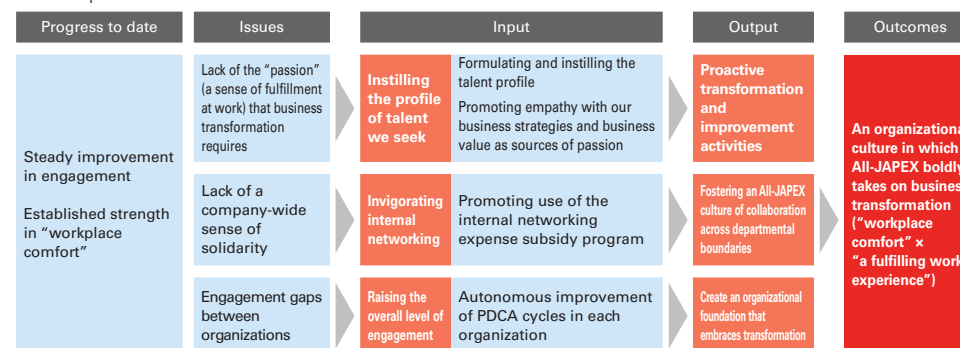
Transforming Organizational Culture

● Establish an organizational culture in which All-JAPEX takes on business transformation

To build core assets, JAPEX will draw out the “passion” (a fulfilling work experience) that drives transformation, building on our existing strength in “workplace comfort” through initiatives that instill the talent profile we seek and deepen empathy with our business strategies and business value.

In addition, by further promoting the use of the internal networking expense subsidy program introduced in fiscal 2025, we will foster an “All-JAPEX culture” in which the entire company supports making overseas E&P our core business, and we will work to “create an organizational foundation that embraces transformation” through autonomous improvement of the culture within each organization.

Through these initiatives, we will expand our pool of talent who lead business transformation with high aspirations and overwhelming passion, and we aim to establish an “organizational culture in which All-JAPEX boldly takes on business transformation,” combining “workplace comfort” with “a fulfilling work experience.”



● Progress on organizational culture transformation

Our engagement score*1 is improving steadily, but we analyze this result as being driven by “workplace comfort.” We aim to raise each of the scores relating to “a fulfilling work experience,” which is a challenge for achieving business transformation.

	KPI	Item measured	FY2023	FY2024	FY2025
Engagement score		Degree of progress in organizational culture transformation	49.5 pts	53.7 pts	55.3 pts
Expanding the pool of talent who lead business transformation with high aspirations and overwhelming passion	Score for empathy with our strategies*2	Degree of empathy with our business strategies	3.1 pts	3.3 pts	3.3 pts
	Score for empathy with our business value*2	Degree to which pride in and a sense of mission toward our business have been fostered	3.1 pts	3.3 pts	3.3 pts
	Score relating to transformation activities*2	Degree to which specific transformation actions have emerged	3.0 pts	3.2 pts	3.2 pts
Fostering an All-JAPEX culture	Score relating to a company-wide sense of solidarity and similar factors*2	Degree to which a sense of solidarity and a culture of collaboration have been fostered	3.1 pts	3.2 pts	3.2 pts
Raising the temperature for transformation (raising the overall level of engagement)	Percentage of organizations with low engagement scores*3	Degree of progress in raising the overall level company-wide	43%	35%	26%

*1 Standard score based on the database of Link and Motivation Inc., with the average of other companies set at 50.0.

*2 Average of the responses to the relevant questions (five-point scale).

*3 Percentage of organizations falling below the standard engagement level defined by that company.

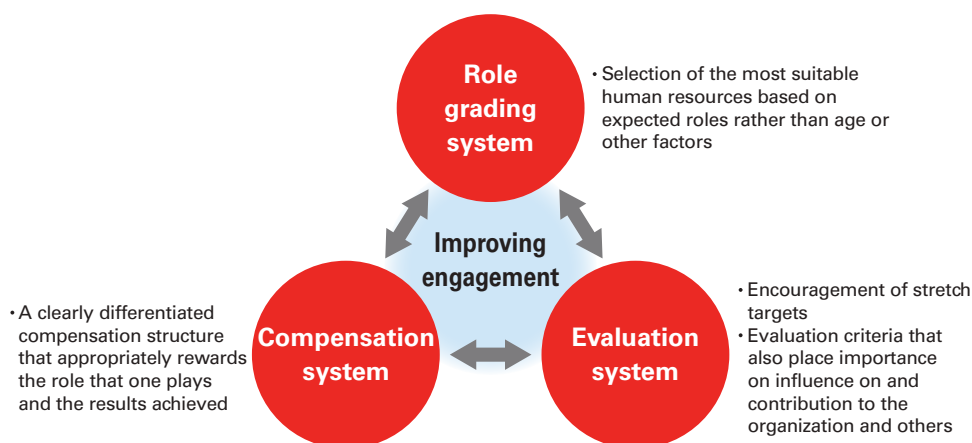
A Human Resources System That Drives Transformation

● A “role grading system” that rewards human resources who take on the challenge of transformation and creation

In fiscal 2024, to appropriately reward human resources who have taken on the challenge of transformation and creation, we revised our human resources system from the previous system, which tended to be seniority-based, to a “role grading system” centered around roles. To secure the human resources necessary to realize the Management Plan, we set compensation at a level that is highly competitive in the external labor market. In addition, we have established a grading system that selects the most suitable human resources based on expected roles rather than age or other factors, together with a clearly differentiated compensation system reflecting the scale of the role that one plays and the results achieved, making these systems conducive to improving engagement. To bring together diverse ideas and insights and to foster a culture that creates innovation through collaboration, our evaluations place importance not only on the performance of one's own role but also on “engaging with others and exerting a positive influence,” such as supporting the growth of subordinates and colleagues and improving engagement within the organization.

● A clearly differentiated salary and evaluation structure linked to “roles” and “results”

The Company's salary structure consists mainly of monthly salary and bonuses. We determine monthly salary based on the grade classification derived from expected roles and on how well an employee demonstrates the role-based behavior required at that grade (process evaluation). Meanwhile, we base bonuses on company-wide performance in the previous fiscal year and reflect the degree to which the performance targets expected at each grade have been achieved (output evaluation), thereby creating a mechanism that appropriately rewards the results achieved. Furthermore, in operating our evaluations, we encourage employees to “set targets equivalent to one role grade above their own,” thereby supporting bold challenges toward high hurdles.



Human Resources Development

● Human resources development that supports autonomous self-transformation

Under the Human Resources Development Policy and the Internal Environment Development Policy, we operate an education system that enables each and every employee to achieve autonomous self-transformation toward building the core assets set out in the Management Plan. Specifically, we systematically support the acquisition of capabilities in four areas: “mindset and aspirations,” “business skills,” “specialized skills” and “people management skills.”

● Promotion of capability development linked to the role grading system

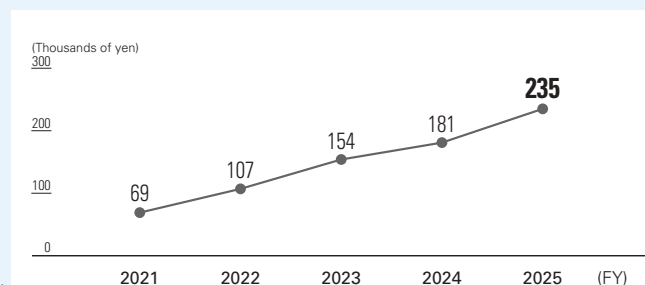
We have fundamentally reviewed our previous education system, which centered on rank-based training, and we are building an education system based on the role definition of each grade. Focusing on the time of promotion, we conduct training that promotes an understanding of the role expected at each grade. We have also organized the business skills required to fulfill these roles and have introduced corresponding learning paths (e-learning). In addition to autonomous learning through e-learning, we deploy output-oriented training to help employees firmly acquire practical skills. For employees in managerial positions (Manager and equivalent), we conduct a “management skill survey,” which objectively measures levels of behavioral characteristics such as leadership and the development of team members, together with skill development training (support for formulating and implementing capability development plans based on the survey results), thereby improving people management skills.

● Provision of opportunities that support autonomous growth and taking on challenges

In order for employees to be able to chart their own careers proactively, we provide diverse opportunities, including the expansion of an internal open recruitment system and support for graduate school study in Japan and overseas and study abroad. Furthermore, we support the autonomous growth of individuals and their willingness to take on challenges through measures such as career design training and the encouragement of one-on-one meetings with supervisors.

Training expenses per employee

We are accelerating “human resource investment” aimed at realizing the Management Plan, and training expenses per employee increased 3.4-fold compared to FY2021. To support the autonomous self-transformation and career development of our employees, we are intensively investing funds in highly effective capability development measures.



Achieving a Fulfilling Workplace with Employee Well-being

● Promotion of DE&I

Targets and action plan

Under the JAPEX Diversity, Equity & Inclusion (DE&I) Policy, the Company works to realize an organizational culture in which each and every one of its diverse employees can fully demonstrate their abilities, thrive and grow. To secure the diverse perspectives and outstanding talent that drive business transformation and the creation of innovation toward realizing the Management Plan, we formulated a new action plan for fiscal 2030 based on the results and challenges of our initiatives to date.

Priorities	Targets through FY2025	Results for FY2025	New targets from FY2026 onward (through FY2030)
Promoted greater participation of women	Appointment of women to management positions	25 persons or more 23 persons	Not achieved, but on an upward trend Percentage of women in management positions 10% or more Ongoing, with the target changed to a percentage
	—	—	— Percentage of female manager candidates (assistant manager level) 20% Newly created
	Percentage of female new-graduates hired	30% or more 33.3%	Achieved Percentage of female new-graduates hired 30% every year Ongoing
Support for balancing work and childcare	Percentage of male employees taking childcare leave	80% or more 84.2%	Achieved Percentage of male employees taking childcare leave 100% every year Ongoing, with the target level raised
Promotion and retention of mid-career hires	Percentage of mid-career hires in management positions	20% or more 26.7%	Achieved (No numerical target set, as we believe that we have made a certain degree of progress in promotion and retention)
	Percentage of mid-career hires to total hires	50% or more 51.5%	Achieved

Specific initiatives to promote the advancement of women

Among the diverse human resources set out in the JAPEX DE&I Policy, women account for the largest number of employees, and the Company faces the clear challenge of a low ratio of women in management positions, making them the group with the greatest potential to strengthen organizational capabilities through improvement. JAPEX therefore focuses in particular on promoting the advancement of women and carries out the following initiatives.

- Since fiscal 2023, we have held roundtable discussions with our female Outside Directors for employees in management and career-track employees.
- As internal opportunities for dialogue that support career development, we will expand the existing interviews conducted by the Human Resources Dept. with female career-track employees and newly establish roundtable discussions with female managers.
- To promote exchange with people outside the Company, we send employees every year to training programs for women hosted by the Ministry of Economy, Trade and Industry and Keidanren.
- We have participated in "Women10x"* since its inception in October 2024, taking part in study sessions on an ongoing basis, and we hosted a session on the advancement of women at the Japan Energy Summit in Tokyo.

* Launched with the cooperation of WPC Energy (World Petroleum Council), ISAW, an NPO supporting the advancement of women internationally, and LEWAS, a women cooperation network in the Middle East.



Outside Directors and participants



Introducing the activities of Women10x at the Japan Energy Summit held in Tokyo (June 2025)

● Promotion of health management

Purpose and promotion system

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, and we have built a promotion system under the responsibility of the President. In addition, we have formulated the "JAPEX Health Management Strategy Map," which visualizes how promoting health management leads to the resolution of management issues, and we are advancing various measures to improve employee health. Specifically, we aim to reduce losses caused by presenteeism and absenteeism by improving physical and mental health, and to enhance the work engagement of each employee. Improving individual vitality and engagement with the organization work in tandem to strongly support the maximization of our organizational execution capabilities.

Targets and efforts to achieve them

We regard work engagement as one of the ultimate indicators of health management, and we target a score of 6.0 points in fiscal 2026. Based on the results of health checkups and health surveys, we have set improvement of lifestyle, mental health and women's health as the three major health issues for enhancing work engagement, and we focus on preventing and improving lifestyle-related diseases, enhancing mental health care and supporting the maintenance and improvement of women's health.

In addition to these measures, we comprehensively advance the creation of a workplace environment that respects diverse values, including the prevention of occupational accidents and harassment, and we aim to achieve our work engagement target.

Work engagement score

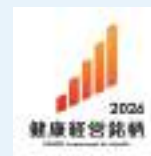


FY2023 results	FY2024 results	FY2025 results	FY2026 target
----------------	----------------	----------------	---------------

* The work engagement score is the average of respondents' answers to the two work engagement questions in the New Brief Job Stress Questionnaire (out of a maximum of 8.0 points).

External evaluations and achievements

The ongoing practices linked to our management strategy earned high praise, and we received the following external evaluations in fiscal 2025.



KENKO Investment for Health Stock Selection

We were selected for the third consecutive year as a listed company that practices outstanding health management.



"White 500" under KENKO Investment for Health Outstanding Organizations Recognition Program

We were certified in the large enterprise category as one of the top 500 organizations that practice particularly outstanding health management.

Digital Transformation (DX) Strategy –Message from the Officer in charge of Corporate Strategy Division–



Beyond DX-Ready

Driving Business Growth as the Execution Capabilities That Build Core Assets

Representative Director, Executive Vice President
President of Corporate Strategy Division, in charge of Legal Office

NAKAJIMA Toshiaki

Progress on the DX Promotion Plan

JAPEX established a roadmap with the interim goal of becoming *DX-Ready* (being ready to transform our business through digital technologies) by the end of fiscal 2025, and we have advanced initiatives such as developing internal human resources, streamlining operations through Business Process Re-engineering (BPR), and constructing an integrated data infrastructure (nicknamed the “Central Kitchen”).

As a result, we completed advanced digital training for 250 employees, equivalent to approximately one quarter of our non-consolidated workforce, and we continuously develop “X Navigators,” the talent who lead problem solving and transformation, through the practice of *grassroots DX* that generates change from the front lines. In addition, we completed the construction of the Central Kitchen, which serves as the infrastructure for data utilization.

Moving to a Value Creation Phase Aligned with Our Business Strategy

As we redefined the positioning of our material issues as “significant challenges to our growth strategy” (see P.24), we also changed digital transformation, one of our material issues, from the former “DX” to “pivot to data-driven management,” which aims to accelerate decision-making for investment by elevating data utilization and to optimize operation by leveraging advanced digital technology, and we raised the resolution of this issue by setting specific challenges. To achieve the building of core assets as set out in the new Management Plan, we will use data as a common language to remove organizational barriers and thoroughly pursue scientific decision-making and operational optimization based on data, thereby playing our part in strengthening the execution capabilities that support transformation.

Three Priority Initiatives for the Pivot to Data-driven Management

Generative AI and AI agents will handle forecasting, automation and decision-making support, sophisticating and accelerating human judgment and thereby raising the execution capabilities that support transformation.

1. Optimize the executions of operator business: JAPEX will maximize its operator capabilities through the power of digital technologies. We will deploy the knowledge of data connectivity in the IT and OT (operational technology) areas gained ahead of other fields in our domestic E&P business to our tight oil and gas business in the U.S. and to CCUS projects such as the one in Tomakomai. For example, in our U.S. business, we will analyze vast volumes of well data and build an AI production forecasting model to optimize drilling processes and production plans. In our CCUS projects, we will utilize high-density IoT sensors to build plants that operate optimally through remote monitoring and automatic control. Furthermore, by advancing the implementation of AI-based production forecasting, automatic control and failure sign detection at our sites, we aim to strengthen cost competitiveness through labor-saving operations and to establish a safe and resilient operating structure that minimizes downtime losses.

2. Accelerate decision-making for investment and withdrawal by enhancing data integration more effectively: We will eliminate the uneven distribution and opacity of information between the head office and each overseas base and among Group companies, and we aim to conduct agile business operations based on real-time data. We will advance automatic linkage from each system to the Central Kitchen and build a management dashboard that visualizes management information for all assets in a unified manner. Furthermore, by implementing a portfolio simulator in which AI analyzes market conditions, geopolitical risks and operational data across the board and estimates future cash flows under a variety of scenarios, we will support the acquisition and sale of assets at the optimal timing through scientific decision-making, leading to agile portfolio building.

3. Free up human resources through BPR: We will roll out the standard BPR model built in leading areas laterally across the entire Company and eliminate inefficient processes that depend on manual work as well as reliance on individual personnel. We will also implement generative AI and AI agents in stages to automate routine operations. The Central Kitchen has a highly scalable system configuration designed with the utilization of AI in mind. By advancing the efficiency and sophistication of management through BPR and the utilization of AI, we will achieve an annual workload reduction equivalent to 150 employees by fiscal 2030 and strategically shift human resources toward building core assets.

Results of DX-Ready FY2022–2025

Completed training of advanced digital talent
 ● 250 people (25% of employees (non-consolidated))
 ● Launched *grassroots DX initiatives originating at our sites* and implemented **over 30 cases per year**

Started operation of the integrated data infrastructure “Central Kitchen”
 ● Completed preparation of the data utilization infrastructure supporting data-driven management

BPR of domestic back-office operations
 ● Reduced workload in the operations and budget reporting areas
 ● Built a **standard BPR model** for deployment to other operations

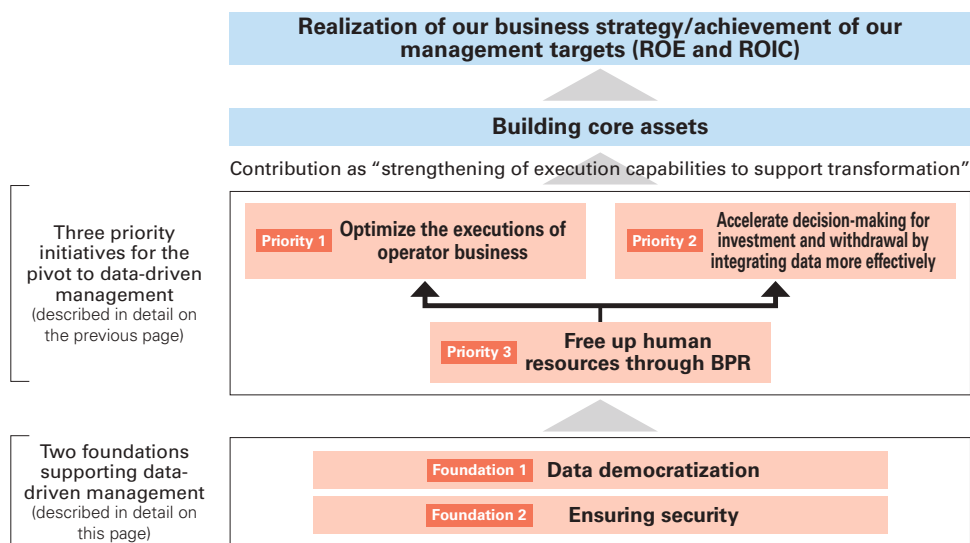
Value creation phase FY2026–2035

Optimize the executions of operator business
 Optimize operator projects through data utilization by advanced digital talent and the implementation of cutting-edge digital technologies at our sites

Accelerate decision-making for investment and withdrawal by integrating data more effectively
 Manage operational and management information for core businesses in a unified manner and achieve portfolio management that responds agilely to changes in the external environment

Free up human resources through BPR
 Make human resources available by rolling out BPR target areas across the company and shift them strategically to building core assets

Overall Picture of Realizing Our Business Strategy through Digital Transformation



Two Foundations Supporting Data-driven Management

To advance the pivot to data-driven management, we need to democratize data and ensure security.

1. Data democratization First, data democratization means redefining in-house data as a shared asset of the Company and creating a state in which every employee can access and utilize the data they need. To date, JAPEX has managed data on an organizational basis and continued an operating practice under which other departments could not easily access it, which undermined productivity and the speed of decision-making. To overcome this issue, we have been building the Central Kitchen and developing data governance. These efforts resolve the fragmentation and isolation of data across departments and enable everyone to handle data from other departments safely and in combination. We have also put in place a mechanism that allows employees to utilize data according to their own business needs, without specialized IT knowledge, by using Business Intelligence (BI) tools that visualize management and operational data.

At the same time, true democratization of data requires that we eliminate the psychological resistance to making departmental data open. To drive this cultural transformation, top management communicates a clear company-wide commitment in support of the democratization and utilization of data. Building on this, the X Navigators who lead transformation and challenges serve as front-runners and share the successes they have achieved in the field, thereby encouraging employees to take on challenges voluntarily. In addition, the DX promotion department supports each employee's voluntary challenges in terms of IT technology and prevents those who take on challenges from becoming isolated. As employees at various levels build on one another's ideas for utilizing data in this way, we expect a chain reaction of new value creation to emerge.

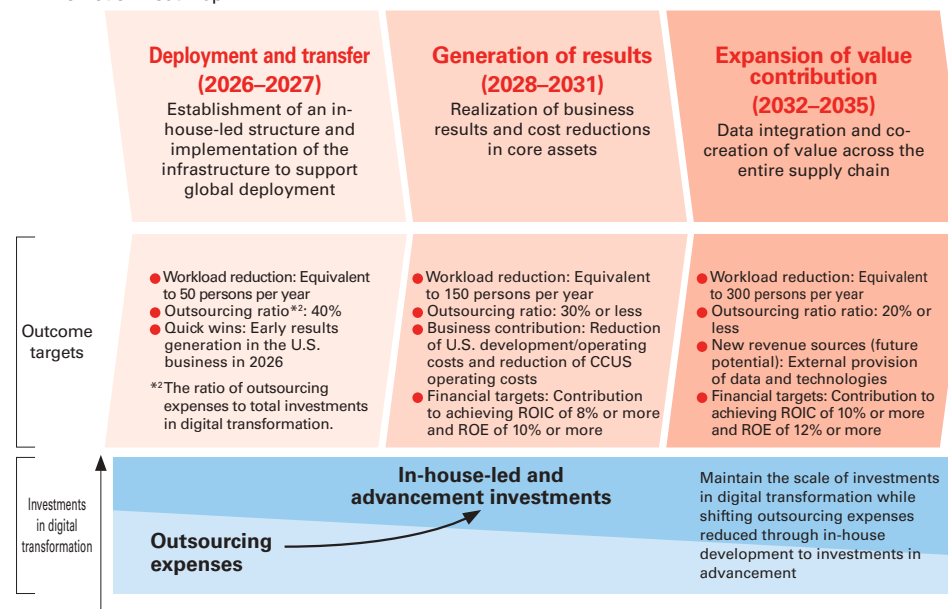
2. Ensuring security To support the safe and rapid use of digital technologies, we are strengthening our security framework on two fronts: “prevention and control in normal times” and “defense and recovery in emergencies.”

Prevention and control in normal times: Advancing business rapidly under autonomous decision-making at our bases and subsidiaries in Japan and overseas requires common security standards and control mechanisms with which the entire Group must comply. JAPEX has advanced measures that comply with international security frameworks and national guidelines, and has shifted its security design concept from the conventional perimeter defense model to a zero trust architecture^{*1}. Going forward, we will deploy this series of activities as a Group-wide security governance framework, create an environment that allows us to promote digital transformation safely from every base in Japan and overseas, and prevent risks before they materialize.

Defense and recovery in emergencies: At the same time, resilient response capabilities that prepare us for the unlikely event of an incident are also important. We will build a comprehensive defense and recovery system that covers not only the IT area but also the OT area. By enabling rapid emergency response across the entire Group, we will minimize cyber risks that threaten operations, the core of our business, and contain damage to the greatest extent possible. Through these initiatives addressing both normal times and emergencies, we will protect the IT and OT environments of our Group, thereby contributing to the reduction of security risks throughout the supply chain and supporting JAPEX's sustainable value creation from a safety perspective.

^{*1} A security design premised on trusting no access from the outset, whether from inside or outside the Company, and verifying each access every time.

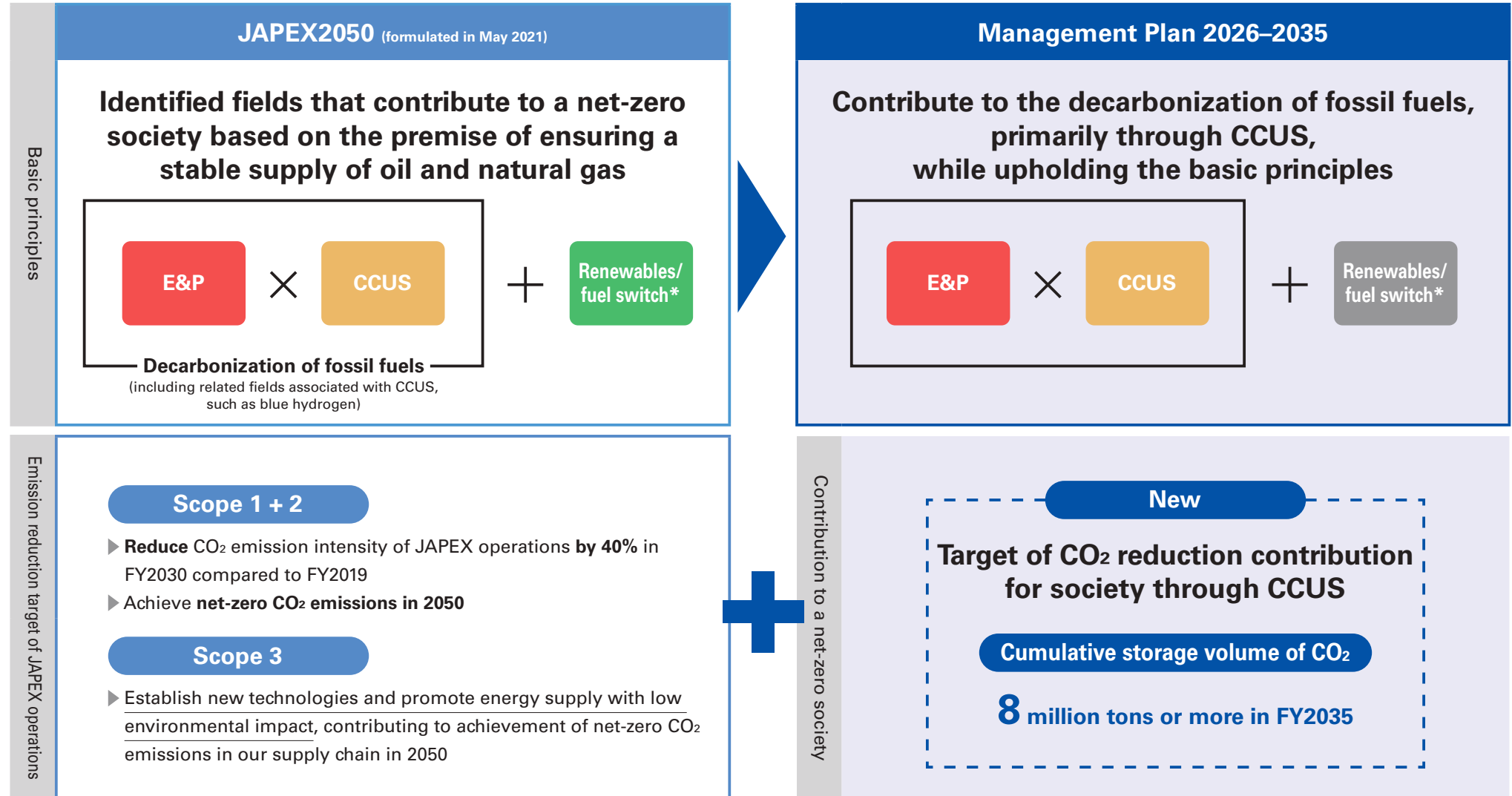
DX Promotion Roadmap



Climate Change Response

Setting a new target of CO₂ reduction contribution for society through CCUS, while upholding the basic principles of JAPEX2050

With the aim of contributing to achieving carbon neutrality by 2050, JAPEX has been transforming its business portfolio through building core assets by focusing on overseas E&P and CCUS. In the JAPEX Management Plan 2026–2035 announced in April 2026 based on the basic principles of JAPEX2050 (formulated in May 2021), we will retain our GHG emission reduction targets (a 40% reduction in Scope 1 + 2 emissions in fiscal 2030 and net-zero emissions in 2050) and continue to drive initiatives toward achieving these targets. In addition, we set forth a new social contribution target to store a cumulative storage volume of 8 million tons of CO₂ or more by fiscal 2035 by leveraging our leading track record and expertise in domestic CCUS projects to the maximum extent.



*Transition from petroleum fuels, to natural gas, which have a lower environmental impact.

● 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 this task, 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.

We have created a PDCA cycle for the series of initiatives through deliberations at and reports to various committees as well as data collaboration and integrated management with business divisions. 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.

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 (deliberation of the JAPEX2050 and the Management Plan, report on business and other risks, 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.
HSSE Committee	Deliberation of HSE policies and the medium-term HSE Plan including medium-term activities of climate change response

2. Strategy

Given the business characteristics of handling fossil resources, JAPEX has positioned climate change response as a key management matter. 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, we conducted a comprehensive assessment in a medium- to long-term financial impact analysis using scenarios published by the International Energy Agency (IEA), and the Sustainability Committee used the results of the analysis upon considering the management plan.

We have evaluated the percentage of investment allocated to risk assets and opportunities on an ongoing basis from the perspective of climate change and aim to formulate a sustainable business portfolio even under the NZE scenario*, with the most difficult conditions.

*Net Zero Emissions by 2050 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.

The Sustainability Committee, which is charged with managing JAPEX2050, 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.

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	Medium	• GHG emission reduction based on the net-zero target by 2050 • Assessment of transition risks through internal carbon pricing during the investment stage • Shift to a sustainable business portfolio based on the results of scenario analysis
	Market and technology risks	Long term	Decline in sales price of oil and natural gas due to a fall in their demand following the shift to decarbonized society	Medium	
	Reputation risks	Medium term	Difficulty in funding for the E&P business and conclusion of casualty insurance contracts due to the global decarbonization trend	Large	
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	JAPEX2050	Impact level	Specific progress
Resource efficiency	Adopt more efficient production and distribution processes.	Long term	Use CCS/CCUS along with other decarbonization technologies at our production sites.	Medium	• Advanced the Dry Piney Project in Wyoming, U.S.A. • Commenced the CO₂ injection test at the Sukowati Oil Field in Indonesia (jointly with Pertamina and LEMIGAS).
Product and service	Develop and expand products and services with lower emis-sions.	Long term	Implement and commercialize CCS/ CCUS promptly.	High	• Commissioned to undertake surveys in the Tomakomai area, Higashi-Niigata area, and Sarawak, Malaysia, where JAPEX, in collaboration with other companies, submitted proposals for public solicitations regarding the “Engineering Design Work for Advanced CCS Projects.” • Considered underground storage of associated CO₂ at domestic fields. • Commenced FEED for onshore terminal and receiving jetty topside of the CCS project in Sarawak, Malaysia. • Commenced exploratory drilling off the coast of Tomakomai City, Hokkaido, pursuant to the CCS Business Act.
		Medium term	Participate in projects of LNG supply infrastructure development.	Medium	• Joined the Freeport LNG Project in Texas, U.S.A.
		Medium term	Expand energy supply with low environmental impact and service areas through businesses such as commissioned projects that utilize existing infrastructure.	Small	• Expanded sales of 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.

4. Metrics and Targets

4-1 JAPEX Group's GHG Emission Reduction Targets

FY2030	FY2035	2050
Reduce GHG emission intensity in our operations by 40% compared to fiscal 2019	Cumulative storage volume of 8 million tons of CO ₂ or more	Achieve net zero

■ GHG Emission Intensity

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

We reduced GHG emission intensity in fiscal 2025 by 23% 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).

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.

Changes in GHG Emission Intensity

FY	2019	2022	2023	2024	2025
GHG emission intensity (ton-CO ₂ / TJ)*	3.97	3.56	3.38	3.11	3.07
Reduction rate from base year (FY2019) (%)	—	−11%	−15%	−22%	−23%

* 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.

■ CO₂ Storage Capacity

We have newly set a target for CO₂ reduction to contribute to the achievement of a net-zero society through CCUS. The final target is cumulative storage volume of 8 million tons of CO₂ or more in fiscal 2035, and as a milestone we are aiming to begin storing 1.5 to 2.0 million tons-CO₂ (equivalent to annual CO₂ emissions of about 600,000 to 800,000 households*) in fiscal 2031. Going forward, we will promote the CCUS business while accelerating the implementation of specific projects to achieve the cumulative target of 8 million tons-CO₂ or more in fiscal 2035.

* Calculated based on annual CO₂ emissions per household of 2.47 tons-CO₂ in the Survey on the Actual Conditions of Carbon Dioxide Emissions from Residential Sector (FY2023) by the Ministry of the Environment.

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).

In fiscal 2025, 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 22,000 tons of CO₂.

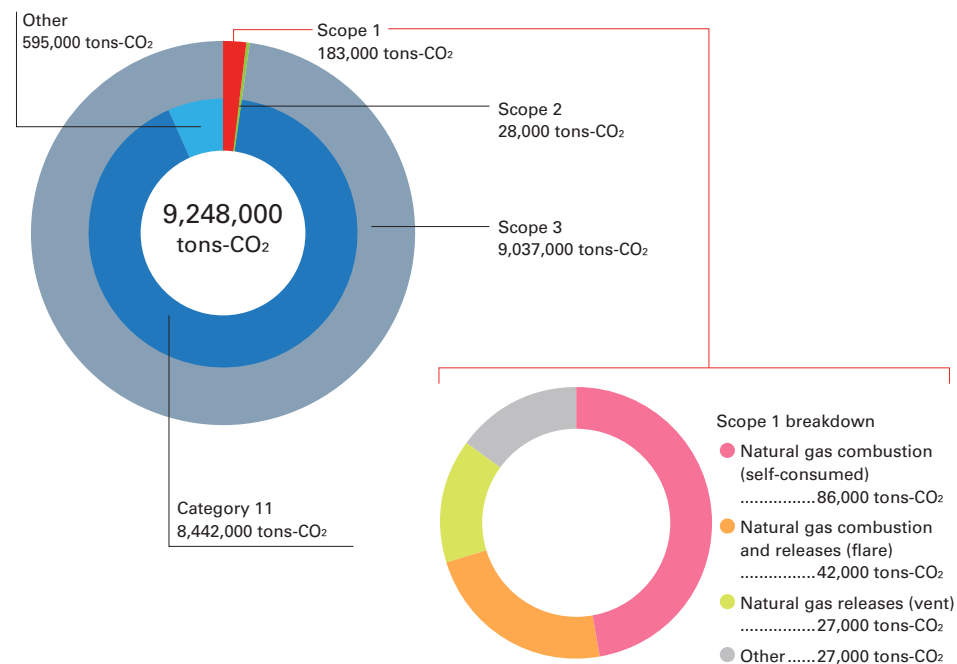
*1 Vent: Releasing excess gas directly into the atmosphere for operation at the time of emergency or startup.

*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.

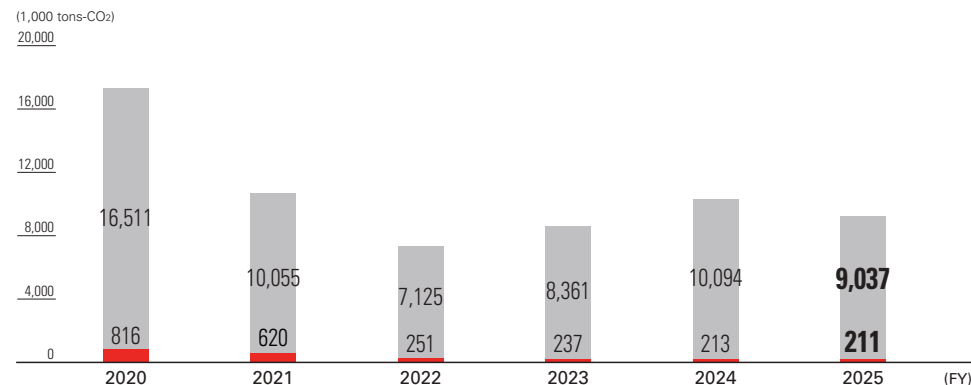
Scope 1, 2, and 3 Emissions

Scope 1, 2, and 3 emissions in fiscal 2025 totaled 9,248,000 tons of CO₂, with 98% attributed to Scope 3 emissions. Of the Scope 3 emissions, 93% were from Category 11 (use of sold products).

GHG emissions (FY2025 results)



GHG emissions (Scope 1, 2, and 3) ■ Scope 1 + 2 ■ Scope 3



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

WEB ESG Performance Data

4-2 Japan Energy Resources Development Association Targets

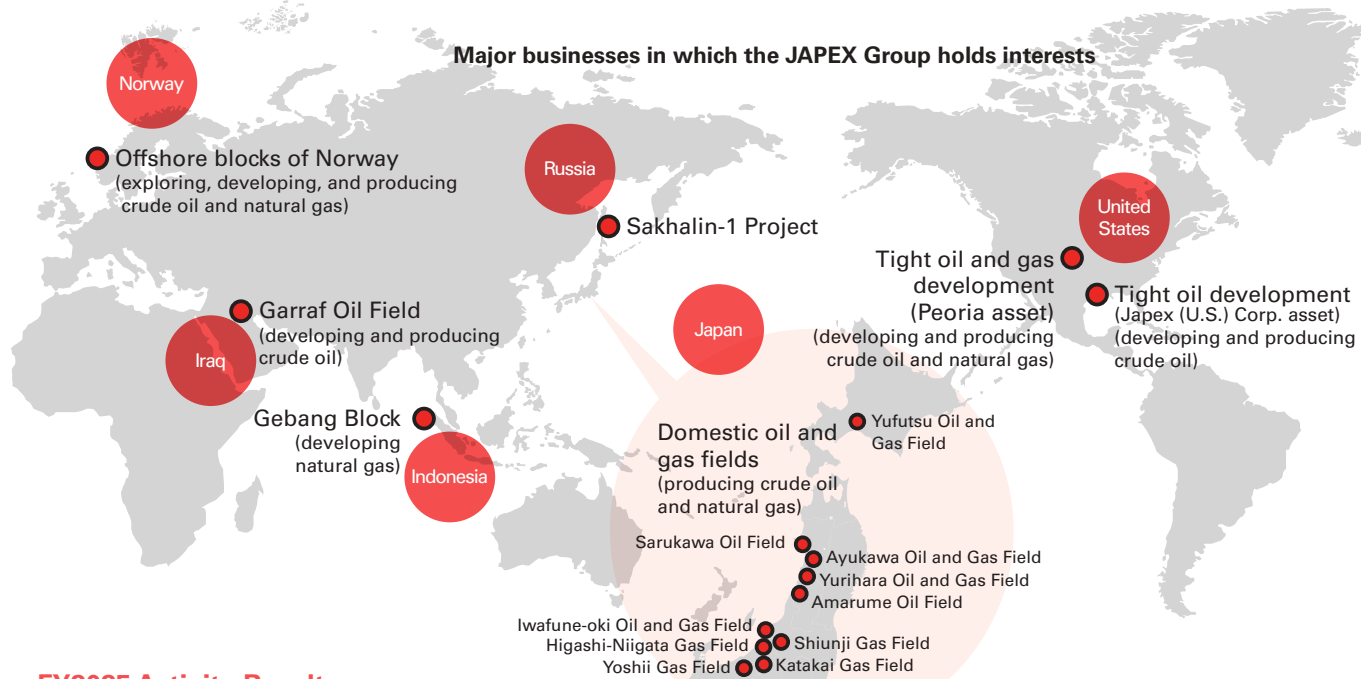
The Japan Energy Resources Development Association, which JAPEX is a member of, participates in the Japan Business Federation's Carbon Neutrality Action Plan. The plan covers production facilities of oil and natural gas development businesses in Japan, setting a target to reduce GHG emissions by 40 %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

Overview by Business Field —E&P Field—



FY2025 Activity Results

Overseas

United States

- Completed the acquisition of tight oil and gas assets from Verdand and took over as operator

Norway

- Acquired interests in the Verdande Oil and Gas Field and Alve Nord Oil and Gas Field through an asset swap
- Commenced production at the Verdande Oil and Gas Field
- Won two blocks in an exploration licensing round

Indonesia

- Divested from the Kangean Block and newly participated in the development of gas field at the Gebang Block United Kingdom
- Completed the divestment of the UK business through the transfer of shares in JAPEX UK E&P LIMITED

Japan

- Commenced exploratory drilling in the offshore Hidaka area in Hokkaido

Policy on Initiatives to be Taken Going Forward

Build-up of core assets in key overseas markets

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 participating interests, mainly in the U.S., Norway, and Southeast Asia, where we have already participated in some other assets. For overseas E&P we expect to invest ¥1,100 billion through fiscal 2035. To achieve sustainable growth and enhance corporate value over the medium to long term, we aim to first build core assets by fiscal 2030 and then establish these assets as contributors to earnings. In addition, in August 2026, we decided to acquire the entire equity interest in Fundare, which holds tight oil and gas assets in the U.S.

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 ¥60.0 billion by fiscal 2035 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 CCUS projects that utilize oil and gas fields.

Strengths of the E&P Field

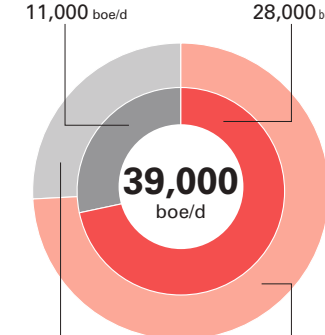
- Integrated operations across the entire domestic E&P field by the Group
- Comprehensive E&P technical capabilities that we have accumulated in geologically challenging domestic operations
- Relationships of trust with stakeholders, including clients, local communities, and oil-producing countries

Current state

Net production volume (FY2025 results)

Japan
11,000 boe/d

Overseas
28,000 boe/d



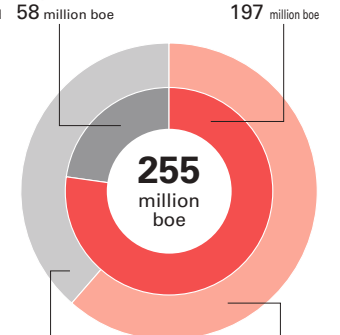
Natural gas
10,000 boe/d

Crude oil
29,000 boe/d

Net proved reserves (as of March 31, 2026)

Japan
58 million boe

Overseas
197 million boe

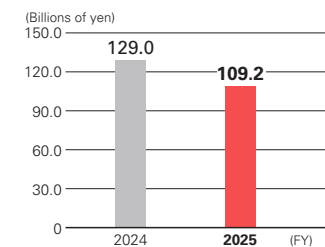


Natural gas
98 million boe

Crude oil
157 million boe

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

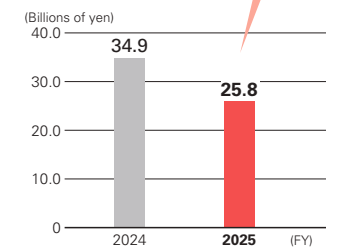
Net sales



Main Factors for Change:

- Decrease in sales volume of crude oil (domestic) and gas
- Decrease in sales volume due to the divestment of the UK North Sea Seagull project
- Decline in sales prices

Business profit after tax



Target business profit after tax
FY2031 ¥50.0 billion
FY2035 ¥80.0 billion

Comprehensive Technical Capabilities in E&P

WEB Technology

For 70 years since our founding, we have honed comprehensive technical capabilities covering the entire E&P process, from exploration to production, by addressing Japan's complex and challenging underground environments. This proven technological foundation and geological evaluation expertise not only support the growth of overseas E&P in Norway, Southeast Asia, and other regions, but also play a key role in driving the safe implementation of commercial CCS/CCUS projects in Tomakomai (Hokkaido), the U.S., and Southeast Asia.



Mastering Japan's complex subsurface structures to maximize asset value. Proven technical capabilities cultivated through experience in challenging fields

Leading the global expansion of E&P and cultivating a future of low-carbonization through CCUS

CCUS: Tomakomai Area CCS Project and Monitoring

The seismic reflection survey technologies developed through domestic exploration contributed to CO₂ monitoring through time-lapse seismic survey in Japan's first large-scale CCS pilot test conducted by Japan CCS Co., Ltd. (JCCS). We are promoting the deployment of DAS-VSP monitoring technology using fiber-optic sensors to enable commercial CCS.

United States

Applying expertise gained from domestic tight reservoir development to shale oil development, and a business model combining CCUS to integrated natural gas (containing CO₂) and helium co-production assets, respectively.

Norway

Maximizing exploration success rates by adapting our existing technologies to the characteristics of the country's offshore areas and enhancing analytical depth and resolution.

Southeast Asia

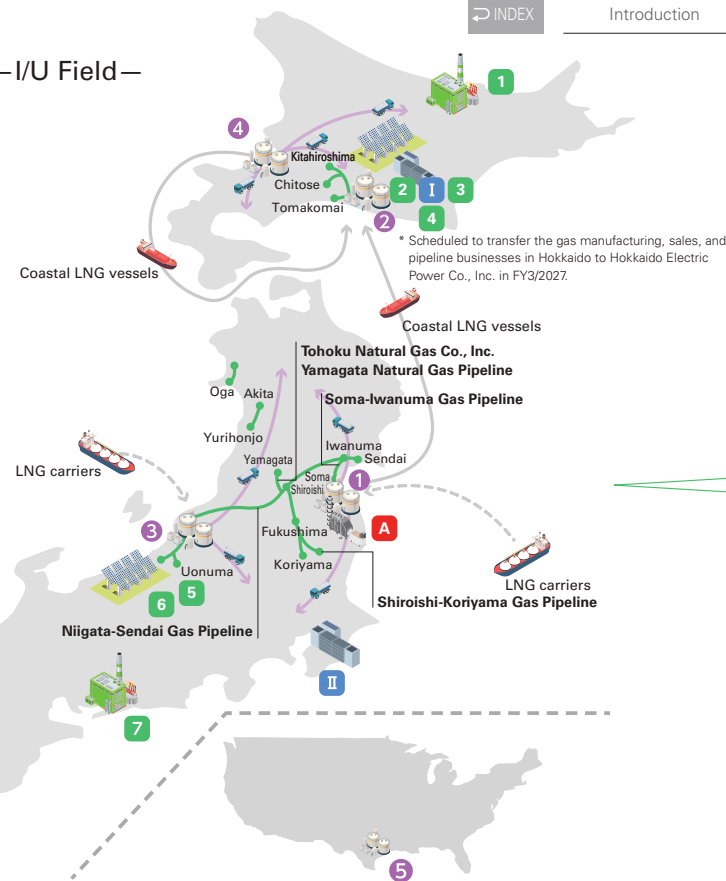
Expanding regionally by targeting geological settings similar to those in Japan and oil and gas fields containing CO₂, leveraging our proprietary technical expertise and business models combining CCUS.

*Source: Hiroyuki Nakagawa, Takefumi Shibuya, Fuminori Honda, and Shinichi Koshi (2025) "Challenges and Outlook of JAPEX Domestic E&P Business," Journal of the Japanese Association for Petroleum Technology, Vol. 90, Issue 6, pp. 426-434

Overview by Business Field —I/U Field—

● LNG terminals

- ① Soma LNG Terminal
- ② Yufutsu LNG Receiving Terminal/Yufutsu LNG Plant
- ③ Niigata Terminal, Nihonkai LNG Co., Ltd.
- ④ Ishikari LNG Terminal, Hokkaido Gas Co., Ltd.
- ⑤ Freeport LNG Terminal (Texas, U.S.A.)



FY2025 Activity Results

Power Business

- Commenced commercial operations of the Tahara Biomass Power Plant
- Decided to construct a 13MW solar power plant in Tomakomai City, with the environmental value separated and sold through a virtual PPA

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 GHG 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.

- Commenced construction of a grid-scale battery facility "JAPEX Tomakomai Battery Energy Storage System"

Natural Gas and LNG

- Decided to transfer the gas manufacturing and gas pipeline businesses in Hokkaido

Expanding the Supply of Energy with a Low Environmental Impact

As the introduction of renewable energy has been expanding and the importance of grid-scale batteries that can contribute to the stabilization of the power system has increased, we entered the grid-scale battery business in FY2024. In October 2025, we commenced construction of "JAPEX Tomakomai Battery Energy Storage System." We will strive to gain operational expertise and continue to work on expanding the storage battery business.

In addition, we will strive to ensure the stable operation of our existing biomass power generation business and solar power plants, while promoting the development of solar power projects and working to scale up energy with low environmental impact through the stable supply of biomass fuel.

Strengths of the Infrastructure/Utility field

- 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

Power Plants and Battery Energy Storage Systems Promoted or Participated in

No.	Name	JAPEX's stake	Capacity (kW)
A	Fukushima Natural Gas Power Plant	33%	1,180,000
1	Abashiri Biomass 2nd and 3rd Power Plants	33.8%	19,800
2	Hokkaido Tomakomai Solar Power Plant (under construction)	33.3%	13,000
3	Mega Solar Power Generation at JAPEX Hokkaido District Office	100%	1,800
4	Yufutsu Solar Power Plant	20%	13,000
5	Niigata Matsushima Solar Power Plant	100%	300
6	Mitsuke Solar Power Plant	100%	250
7	Tahara Biomass Power Plant	39.9%	50,000
8	Chofu Biomass Power Plant	39.9%	74,950
9	Ozu Biomass Power Plant	28.28%	50,000
I	JAPEX Tomakomai Battery Energy Storage System (under construction)	100%	20,000 (Capacity: approx. 106,000 kWh)
II	JAPEX Mihama Battery Energy Storage System	100%	1,999 (Capacity: approx. 6,000 kWh)

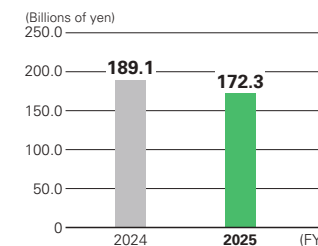
Current state

FY2025 results

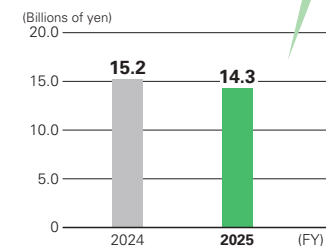
Domestic natural gas and LNG sales volume:	930,000 tons
Electricity sales volume:	3.3 billion kWh

Target business profit after tax
FY2031 ¥20.0 billion
FY2035 ¥25.0 billion

Net sales



Business profit after tax



Main Factors for Change: Decrease in LNG sales volume and decline in sales prices

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.

Entered the grid-scale battery business

As the introduction of renewable energy continues to expand in Japan, we have positioned the grid-scale battery business as the new business field to focus on as we aim for sustainable growth in the power business. While the power market remains subject to uncertainty, we will leverage the systems we have established and the expertise we have cultivated through our power business to contribute to building up business profits through the operation and management of battery storage facilities and trading in various power markets.

JAPEX Mihama Battery Energy Storage System

August 2024 : Commenced construction

August 2025 : Commenced commercial operations

JAPEX Tomakomai Battery Energy Storage System

October 2025 : Commenced construction

Around autumn 2027 (scheduled): Commercial operations to commence



JAPEX Mihama Battery Energy Storage System

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 position the Fukushima Natural Gas Power Plant and renewable energy business as a stable earnings base and build up business profits that are not affected by market conditions.

Overview by Business Field —CN Field—



FY2025 Activity Results and Future Policy

Advanced CCS Commercialization Efforts

We are promoting 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 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 FY2024. We also commenced the first exploratory drilling operation for an advanced CCS project in the Tomakomai Area in November 2025.

Having obtained a permit for exploratory drilling in the specified area designated under the Act on Carbon Dioxide Storage Businesses (CCS Business Act), we are leading this initiative ahead of other projects. Based on the results of the exploratory drilling and trends in the support system, we plan to make a final investment decision toward commencing storage operations in FY2030.

In this work commissioned by JOGMEC, 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.

CCUS 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 CCUS as a business are already well established. Equipped with this experience, we are also exploring the feasibility of CCUS projects in emerging countries in Southeast Asia and other regions where systems are still under development.

In the U.S., we have taken a stake in Blue Spruce Operating LLC, 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. We are advancing our consideration toward making a final investment decision (FID) in order to commercialize our first project in a systematically advanced country.

At the Sukowati Oil Field in Indonesia, we conducted a CO₂ injection test in October 2024 and are undertaking feasibility studies for CCUS-related projects in collaboration with national oil companies and other parties.

Strengths of the Carbon Neutral Field

- Leading track record and expertise in domestic CCUS projects and relationships of trust with stakeholders
- Extensive subsurface information accumulated through the experience in underground natural gas storage operations and E&P business

Japan	Engineering Design Work for Advanced CCS Projects Commissioned "Tomakomai Area CCS" and "Higashi-Niigata Area CCS"
Malaysia	Engineering Design Work for Advanced CCS Projects Commissioned "Offshore Sarawak CCS"
United States (systematically advanced country)	Dry Piney Project Considering making a final investment decision (FID)
Indonesia (country with proposed institutional frameworks)	Sukowati Oil Field Undertaking feasibility studies for CCUS-related projects

Target business profit after tax
FY2031 ¥20.0 billion
FY2035 ¥25.0 billion

Target of CO₂ reduction contribution for society through CCUS

Cumulative storage volume of CO₂

FY2035

8+million tons

*Japan Organization for Metals and Energy Security

Realizing CCUS by Leveraging JAPEX's Strengths and Contributing to Carbon Neutrality

WEB ▶ CCS introduction video (YouTube; in Japanese only)

To achieve a carbon-neutral society by 2050, we will leverage the knowledge and experience in E&P technologies cultivated over many years to promote the early commercialization of CCUS in Japan and overseas.

We have long believed that the continued use of fossil fuels through decarbonization—by applying technologies such as CCUS to these cost-competitive and stably supplied energy sources—is the most practical solution for achieving a carbon-neutral society.

Our view is also aligned with the Japanese government's energy policy.

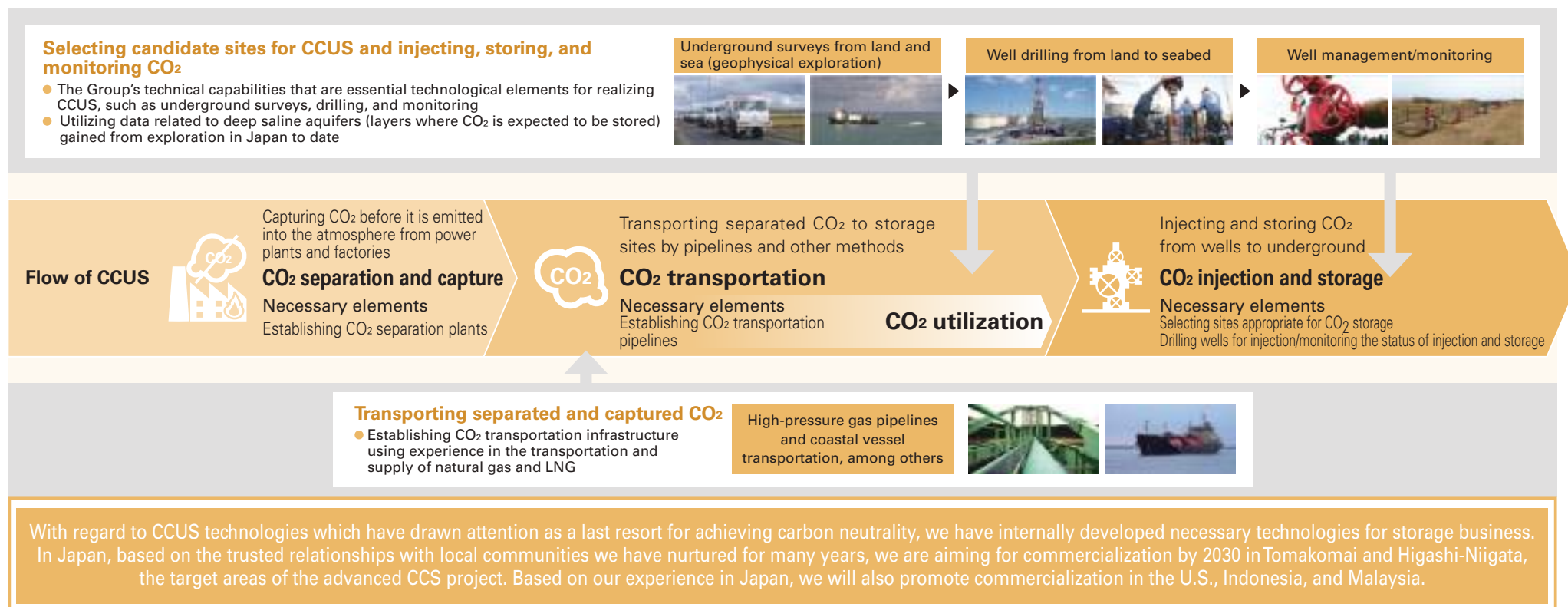
In Japan, CCUS technologies have been raised as an issue since the 2000s in Strategic Energy Plans. In the Seventh Strategic Energy Plan (revised in 2025), CCUS has been positioned as an important technology for realizing both decarbonization and industrial and energy policies.

From a legislative perspective, 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 full enforcement beginning on May 22, 2026. Legislation for the commercialization of CCS has also progressed rapidly.

In Japan's first large-scale CCS pilot test, which was conducted by the Japanese government in Tomakomai City, Hokkaido, in the 2010s, Japan CCS Co., Ltd. (JCCS), which was funded by JAPEX and other private-sector companies, was commissioned to conduct the test and achieved the target of injecting 300,000 tons of CO₂ in 2019.

As the infrastructure for CCUS commercialization is being developed, JAPEX's strengths in CCUS are its E&P-related technologies and personnel applicable to this area. Also, the Group's ability to provide 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, are major competitive advantages.

We will actively lead efforts to achieve a practical carbon-neutral society, while leveraging our unique strengths and experience at JCCS to the fullest extent and promoting consideration and initiatives toward the concrete commercialization of CCUS projects in Japan and overseas.



Business and Growth Foundation

- 45 Sustainability Management
- 48 Preserving Biodiversity and Ecosystems
- 49 Occupational Health and Safety
- 50 Pollution Prevention and Resource Recycling
- 51 Growing Together with Stakeholders
- 52 Participation in Initiatives
- 53 Outside Directors' Roundtable Discussion
- 56 Corporate Governance
- 63 Risk Management
- 65 Compliance
- 66 Respect for Human Rights

Sustainability Management

Basic Concept

Guided by our mission to provide a stable energy supply, JAPEX advances sustainability initiatives aimed at simultaneously solving social issues—such as achieving a carbon-neutral society— and enhancing our corporate value in the medium- to long-term.

[WEB ▶ Sustainability Management](#)

Sustainability Management

● Sustainability Promotion System

We have established the Sustainability Committee, chaired by the Representative Director and President, to deliberate on medium- to long-term business issues and sustainability-related matters. The Committee meets more than ten times a year. Specifically, it formulates management plans, monitors and evaluates their progress, and establishes and reviews the basic policy and action plans regarding sustainability. These matters deliberated are reported to the Board of Directors as appropriate, and important matters are resolved at the Board of Directors. The status of sustainability activities is also reported to the Board of Directors annually. Furthermore, to promote ESG-related initiatives, we have established working groups (WGs) that conduct detailed preliminary reviews prior to Committee deliberations.

Sustainability Promotion Structure



Key Matters Deliberated and Reported by the Sustainability Committee in FY2025 (15 meetings held)

- Formulation of the “JAPEX Management Plan 2026–2035” (including material issues)
- Formulation of medium-term climate change responses (including GHG emission reduction targets)
- Initiatives to respect human rights
- Status of response to natural capital-related risks and opportunities (including results of the LEAP analysis based on the TNFD recommendations)
- Establishment and review of core CSR themes and CSR action plans
- External disclosure of sustainability information including the Integrated Report

● Initiatives for the Business Foundation Underpinning Our Growth Strategy

Under the core CSR themes “SHINE” established in 2014, we have worked to respond to expectations and requests from stakeholders and grow as a global company.

Following the redefinition of material issues in the JAPEX Management Plan 2026–2035 as “significant challenges to our growth strategy,” we also reviewed the core CSR themes. While clearly differentiating them from the new material issues, we updated their content to reflect the current business environment and renamed them “Sustainability Themes.” Driven by these two pillars — “significant challenges to our growth strategy (material issues)” and “initiatives for the business foundation underpinning our growth strategy (sustainability themes),”— we aim to achieve further growth as trusted global company.

Relationship between Materiality and Sustainability Themes


[P24 ▶ Materiality](#)

List of Sustainability Themes [P47 ▶ FY2026 Sustainability Action Plans and Targets](#)

	Sustainability Themes	SDGs
Environment E	Climate change response	3 (CLIMATE ACTION), 6 (CLEAN WATER AND SANITATION), 7 (AFFORDABLE AND CLEAN ENERGY), 12 (RESPONSIBLE CONSUMPTION AND PRODUCTION), 13 (CLIMATE ACTION), 14 (LIFE BELOW WATER), 15 (LIFE ON LAND)
	Pollution prevention and resource recycling	
	Preserving biodiversity and ecosystems	
Social S	Stable energy supply	
	Development of new technologies	
	Occupational health and safety	4 (SAFE AND SOUND WORKING CONDITIONS), 5 (GENDER EQUALITY), 7 (AFFORDABLE AND CLEAN ENERGY), 8 (DECENT WORK AND ECONOMIC GROWTH), 9 (INDUSTRIAL, INNOVATION AND INFRASTRUCTURE), 13 (CLIMATE ACTION), 17 (PARTNERSHIPS FOR THE GOALS)
	Respect for human rights	
	Growing together with stakeholders	
	Human resources development	
Governance G	Diversity and fulfilling environments	
	Corporate governance	10 (REDUCED INEQUALITIES), 16 (PEACE, JUSTICE AND STRONG INSTITUTIONS)
	Risk management	
	Compliance	

• Sustainability Themes comprise initiatives for the business foundation that are not included in material issues.

Main Targets and Achievements in FY2025

WEB ▶ CSR Activities' Action Plans, Targets, and Achievement (FY2025)

Core CSR themes	ESG	Individual challenges	FY2025 Action Plans and Targets	FY2025 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	Participated in the gas field development in the Gebang PSC Block in Indonesia; acquired interests in Verdande and Alve Nord oil and gas fields through an asset swap in Norway; acquired a 100% equity interest in Verdad Resources Intermediate Holdings LLC; acquired exploration licenses in Norway; commenced exploratory drilling in the offshore Hidaka area of Hokkaido	Stable energy supply DX Establishment of Carbon Neutral (CN) business	  
			Promote DX based on business challenges	Advanced three pillars based on the DX promotion roadmap (BPR implementation, integrated data infrastructure development, and human resources development) to achieve DX-Ready*1		
			Promote commercialization studies on CCS/CCUS in Japan and overseas	Overseas Reduced associated gas emissions by commencing shipments in the Garraf Oil Field; advanced feasibility studies toward the realization of CCS/CCUS projects in Indonesia and Malaysia Domestic Obtained an exploratory drilling permit for the CCS project in the Tomakomai area from the Minister of Economy, Trade and Industry (Sep. 2025) ; commenced exploratory drilling offshore Tomakomai, Hokkaido, under the Act on Carbon Dioxide Storage Business (Nov. 2025)		
			Achieve our GHG emission intensity target (Scope 1 + 2) of 3.14 ton-CO ₂ /TJ based on JAPEX2050	GHG emission intensity: 3.07 ton-CO ₂ /TJ (down 23% from FY2019)		
H HSE as Our Culture	E S	4 Occupational health and safety 5 Pollution prevention and resource recycling 6 Preserving biodiversity and ecosystems	Promote initiatives to achieve zero occupational accidents	LTIF*2: 0.28 (down 0.01 from the previous fiscal year) TRIR*3: 1.70 (up 0.25 from the previous fiscal year)	—	  
			Prevent marine pollution incidents caused by oil spills and other leaks	In March 2026, an oil spill occurred during loading oil into a ship near the West No. 1 Pier at East Port District on Port of Niigata. Although the spilled amount was 17 to 35 L, which did not result in a large-scale accident, JAPEX identified the causes and thoroughly implemented initiatives to prevent recurrence		
			Continue initiatives to reduce negative impacts	In line with the TNFD*4 framework, conducted LEAP analysis*5 and scenario analysis to identify and assess short-, medium-, and long-term nature-related risks and opportunities		
I Integrity and Governance	G	7 Governance 8 Risk management 9 Compliance	Strengthen our corporate governance system	Held a seminar for management officers and provided training for newly appointed Executive Officers (themed on cybersecurity, digital transformation training for officers, overseas security in diplomacy and safety assurance)	—	 
			Strengthen information security and promote personal information protection	Serious information security accidents: 0; introduced a new ID management platform to enhance security		
			Strengthen cybersecurity	Reinforced various measures to enhance maturity level across all items in the Cybersecurity Management Guidelines published by the Ministry of Economy, Trade and Industry and the Innovation Promotion Agency, Japan (IPA) Restructured a framework for the Computer Security Incident Response Team (CSIRT), an organization to respond promptly to cybersecurity incidents, and conducted practical drills assuming cyberattacks		
			Ensure thorough compliance	Insider trading cases: 0; 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 a "Questionnaire on Respect for Human Rights" for transaction partners; provided training on "Corporate Responsibility to Respect Human Rights" for officers and employees Reports to the external reporting desk: 0; provided a harassment training session (for officers, managers, and career-track employees)	—	  
			Make contributions to local communities and engage in social activities in our domestic and overseas operating areas	Held on-site tours for local parties concerned in our domestic operating areas, participated in community events, volunteered as crossing guards to ensure the safety of children commuting to school		
			Promote supply chain management	Conducted CSR survey to transaction partners; implemented initiatives to ensure and create 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 through IR site tours, IR briefings, one-on-one meetings, etc. Conducted activities to foster local understanding of CCS and exhibited at environmental events		
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 hires: 33.3%; percentage of mid-career hires to total hires: 51.5%; number of female managers: 23; percentage of mid-career hires in management positions: 26.7%; percentage of male employees taking childcare leave: 84.2%; PRIDE Index: Silver Diversity-related initiatives: conducted training on sexual diversity for employees; obtained the "Platinum Kurumin" certification	Promotion of HR development and diversity DX	 
			Build a human resource development system to strengthen human capital management	Identified the priority issues in developing personnel in management positions, and built a future stable training foundation centered on the survey results Held professional education to technical employees (82 times a year)		
			Promote an employee-friendly workplace	Results of an employee engagement survey improved in total score from the previous fiscal year (FY2024: 53.7 pt → FY2025: 55.3 pt)		
			Promote health management	Recognized as one of the KENKO Investment for Health Stock Selection 2026 companies and a "White 500" enterprise under the recognition program for the Outstanding Organizations of KENKO Investment for Health (for the third consecutive year); maintained a ratio of 5% to 10% for people experiencing a high level of stress: 8.6%		

*1 Being ready to transform our business through digital technologies.

*2 Lost Time Injury Frequency: Calculated as the number of lost time injuries per one million work hours.

*3 Total Recordable Injury Rate: Calculated as the number of total recordable injuries per one million work hours.

*4 An 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).

Targets in FY2026

WEB ▶ Sustainability Action Plans and Targets (FY2026)

	Sustainability Themes	FY2026 Action Plans and Targets	SDGs
Environment E	Climate change response	Scale up the renewable energy business Contribute to a low-carbon society by promoting the use of natural gas Promote studies on the commercialization of liquefied carbon dioxide in Japan	      
	Pollution prevention and resource recycling	Continue measures to maintain a 45% reduction in VOC (volatile organic compounds) emissions compared to the base year (FY2000) Promote efforts to reduce water consumption Promote efforts to reduce waste Prevent environmental pollution accidents	
	Preserving biodiversity and ecosystems	Continue efforts to mitigate negative impacts in and around our operating sites	
Social S	Stable energy supply	Natural gas supply disruption cases: 0 Execute stable procurement Maintain a stable energy supply and expand its supply foundation	      
	Development of new technologies	Pursue well stimulation technologies for domestic tight reservoir development (including Akita tight oil) through joint research with the Japan Organization for Metals and Energy Security (JOGMEC) and expand them overseas Continue efforts toward commercialization of methane hydrate Continue efforts to develop deep-sea mineral resources through new Horizon Ocean Research & Technology Co., Ltd.	
	Occupational health and safety	Promote initiatives based on the Medium-term HSE Plan -Promote efforts to achieve zero occupational accidents	
	Respect for human rights	Promote efforts to respect human rights	
	Growing together with stakeholders	Contribute to and engage with local communities in our domestic and overseas operating areas Promote supply chain management Promote constructive dialogue with stakeholders	
	Human resources development	Support continuous skill enhancement and autonomous career development	
	Diversity and fulfilling environments	Promote diversity, equity, and inclusion (DE&I) -Achieve targets based on the DE&I policy -Percentage of female new-graduates hires: 30% or more -Percentage of female manager candidates (assistant manager level): 20% (by the end of FY2030) -Percentage of female managers: 10% or more (by the end of FY2030) -Percentage of male employees taking childcare leave: 100% Promote health management Improve office environment	
Governance G	Corporate governance	Strengthen our corporate governance system Promote the Enterprise Risk Management (ERM) Framework	 
	Risk management	Continue to strengthen the Business Continuity Plan (BCP) -Maintain and enhance disaster prevention capabilities (improvement and enhancement of emergency response capabilities) Strengthen cybersecurity -Strengthen security measures for operation sites and fields (OT) to establish a high level of resilience -Strengthen response and recovery capabilities against increasingly sophisticated cyberattacks through the dedicated organization (CSIRT) -Minimize the business disruption risk by strengthening the integrated IT and OT security management system Strengthen information security and promote personal information protection -Establish global Group-wide information security governance by 2030 -Raise information management standards across the Group by applying effective, advanced security measures and rules -Reduce human-related risks and thoroughly protect personal information through continuous education and training Continue overseas security response	
	Compliance	Ensure thorough compliance	

Preserving Biodiversity and Ecosystems

Basic Concept

The JAPEX Group has incorporated biodiversity and ecosystem preservation into the JAPEX HSE Policy, setting it as one of the sustainability themes. In both domestic and overseas operations, we are committed to paying attention to and conserving biodiversity.

Preserving Biodiversity and Ecosystems

WEB ▶ TNFD Report

● 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 in fiscal 2023 and identified the E&P field as the top-priority business. Subsequently, we conducted the LEAP analysis in the said field in fiscal 2024 and the scenario analysis in fiscal 2025 respectively. Going forward, we will consider providing information on nature-related issues, while ensuring consistency with other disclosure materials and linking them where possible.

● Governance

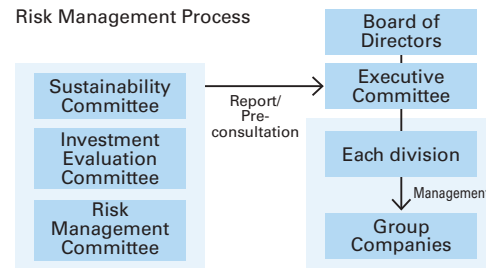
Important matters related to business execution, including nature-related issues, are deliberated by the Sustainability Committee and the Risk Management Committee, and subsequently reported to and resolved by the Board of Directors, which monitors progress of each matter. Important human-rights matters related to nature-related issues are managed in the same way. For fiscal 2025, 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.

P56 ▶ Corporate Governance

P66 ▶ 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. Of these risks, we have an opportunity for discussion on nature-related risks once a year, where we update and monitor the risk assessment, and deliberate the policy to address these risks. Material risks among these are reported to the Executive Committee, under the supervision of which the Sustainability Committee, similarly chaired by the President, discusses the response policy, sets targets, and incorporates them into the strategy. Risks that are not classified as material, but are nevertheless deemed to require management, are examined by the Sustainability Committee.



P63 ▶ Risk Management

● Strategy

Scenario analysis of nature-related risks

In fiscal 2025, we identified risks in the E&P field based on the material dependencies and the scope of the impact, and in light of the result, in fiscal 2026 we conducted the scenario analysis to examine the resilience of the strategy against the change or uncertainty in nature-related matters. The scenario analysis is set based on the Forecast Policy Scenario (FPS) + Nature scenario*3. The timeframes are set in the medium term (2030) and long term (2050) in line with the Kunming-Montreal Global Biodiversity

Framework. In the risk assessment, we calculate the magnitude of risks based on the impact level and probability, which use thresholds of financial impact as in the TCFD Recommendations.

Identification of nature-related risks through the scenario analysis

As a result of the scenario analysis in the E&P field, risks related to natural capital that could have a significant financial impact were not identified. Meanwhile, we have identified risks that require continuous monitoring and consideration of countermeasures as business and other risks. Specifically, in addition to risks in the entire E&P business such as soil and water contamination accidents and water resource scarcity, these risks include those unique to the U.S., an important location. Although they have relatively low impact during the medium-term period, their tendency to gradually emerge and expand for the long-term period has been confirmed. With an eye to this tendency, we will advance formulation of the response policy and risk management, going forward.

Material Nature-related Risks in E&P Field*4

Risk categories		Magnitude of risks*5		Risk description
		2030	2050	
Transition risks	Technology	Small	Small	Increased facility costs associated with water recycling in arid regions
		Small	Small	Increased implementation costs associated with transitioning to environmentally sustainable and safe technologies
	Policy	Small	Small	Increased costs to meet stakeholder expectations and social demands due to impacts on the natural environment (ecosystems/atmosphere)
		Medium	Medium	Soil and water contamination from leaks during drilling and producing (separation and capture), and ensuing impacts on ecosystems and fisheries, and lawsuits and claims for damages
Physical risks	Liability	Small	Small	Fines and claims for damages due to exceeding air-pollutant emissions
		Small	Medium	Restrictions on water intake due to drought and regulations, and reduced production and operational shutdowns

● Metrics and Targets

We measure part of metrics TNFD recommends to disclose, which are core global metrics, core sector metrics, and additional metrics, and we disclose the measured value in the ESG Performance Data. In addition, based on the results of the scenario analysis, we have set targets for some measurement metrics and disclosed them in the TNFD Report.

*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 A realistic forecast scenario which consolidates nature-related policies such as forest and land utilization to the climate change scenario formulated by Principles for Responsible Investment (PRI).

*4 Among nature-related risks, those associated with GHG emissions are disclosed as "Major Risks Related to Climate Change."

*5 The sum of the impact level and probability (three-point scale each); "Large" indicates 5 or more, "Medium" indicates 4, and "Small" indicates 2 to 3.

Occupational Health and Safety

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."

WEB ▶ Health, Safety, and Environment (HSE)

Occupational Health and Safety

● HSE Management System

The Company has been implementing its unique HSE management system (HSE-MS) and applying it to all businesses the Group operates.

Under the system led by the HSE Department and relevant departments at each business location and subsidiary, the HSE-MS sets out risk assessment methods, targets, education, operation management, audits, and review methods by management, among others.

As part of our domestic business reorganization, we established a safety management framework for the new organizational structure. We have also strengthened governance at our operating sites by conducting audits and introducing and assigning HSE Officers.

The HSSE Committee, which is chaired by the executive in charge of the HSE Department and attended by the President and the labor union president, deliberates on basic policies and conducts an overall review for the HSSE, which incorporates the "S" for Security into HSE to address overseas operations.

We promote a strong safety culture through initiatives such as Management HSE Visits led by the President, and report the status of these activities to the Board of Directors annually.

● 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 share our medium- to long-term vision and targets across the Group and promote risk reduction and the development of a strong HSE culture. Key issues in this plan are designated as the Sustainability Action Plan.

P.47 ▶ Sustainability 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.

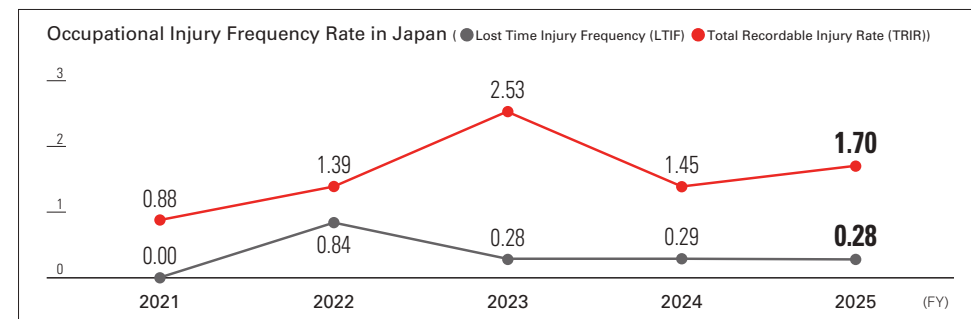
We review the list of risks every year and share the information among business locations to prevent accidents, disasters, and environmental pollution.

● Current Status and Measures for Occupational Injuries

JAPEX is strengthening measures to reduce occupational accidents.

In fiscal 2025, while our Lost Time Injury Frequency (LTIF) improved, our Total Recordable Injury Rate (TRIR) increased. In response, we are promoting DX-based safety measures, including company-wide sharing of near-miss information and the installation of AI-powered cameras for heat stress monitoring. Going forward, we will further enhance safety awareness through initiatives such as HSE Culture

Enhancement Seminars and work to prevent accidents and occupational injuries.



● HSE Education

Based on our HSE Education Plans, we conduct various educational programs at each business location. These include basic education on HSE-related laws and regulations for all employees, career stage education such as for new managers, professional education and VR-based safety simulation training 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

As part of our comprehensive process safety activities, we continuously provide the "Fundamentals of Process Safety Course" for employees and "HAZOP*1 Training" at five locations in Japan to enhance their sensitivity to risk. We are also focusing on ensuring safety in the Carbon Neutral field by supporting the implementation and review of various safety studies, including HAZID*2, for CCUS projects.

*1 Hazard and Operability Studies. *2 Hazard Identification Study.

● Overseas Security Measures

To protect the safety of our employees staying or working overseas, 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 conduct 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.

Pollution Prevention and Resource Recycling

Basic Concept

We are working to voluntarily assess various environmental risks (pollution, 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.34 ▶ Climate Change Response

P.48 ▶ Preserving Biodiversity and Ecosystems

Pollution Prevention and Resource Recycling

● 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).

With regard to VOCs, we have been participating in a voluntary action plan 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.

We have set a target of reducing VOC emissions by 45% compared to fiscal 2000, the base year. In fiscal 2025, VOC emissions decreased by 47% to 829 tons, and we continue to maintain a reduction rate that exceeds the target.

● 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 2025, two accidents related to the leakage of liquids such as mine drainage water and crude oil were reported at JAPEX. We responded appropriately to both accidents.

● 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 extraction, 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 2025, water intake in Japan was 48,145 thousand kL, maintaining the same level as the previous fiscal year.

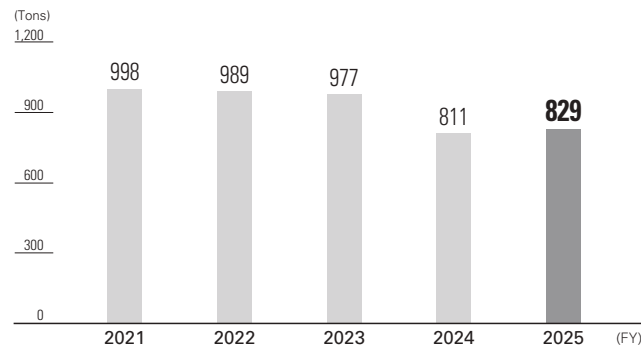
As part of strengthening water resource management, we conducted a water risk assessment at JAPEX's operating locations using the water risk mapping tool of the World Resources Institute. We confirmed that none of the areas are under high water stress as of March 2026.

● Reduction of Waste Generation

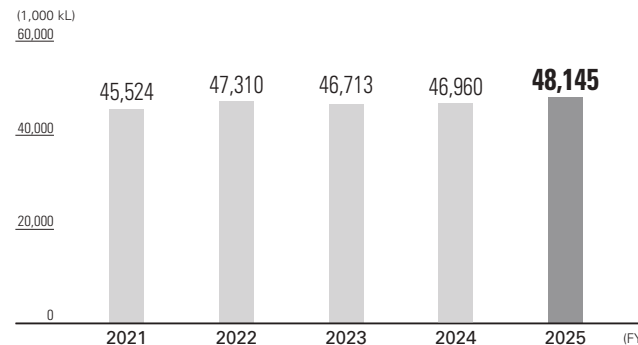
Industrial waste generated from our business activities is appropriately treated and disposed of in compliance with applicable laws and regulations. We also strive to reduce and recycle waste generated from our business activities. In particular, portions of sludge, waste oil, and metal scrap are outsourced to specialized contractors for recycling.

Waste generation temporarily increased due to drilling works for additional development in Japan. However, the amount subsequently declined from 13 thousand tons in fiscal 2024 to 11 thousand tons in fiscal 2025.

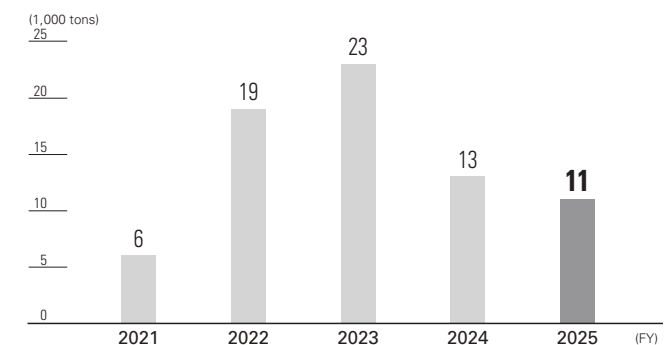
VOC Emissions in Japan



Water Intake in Japan



Waste Generation in Japan



Growing Together with Stakeholders

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.

WEB ▶ Relationship with 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 (FY2025)
Customers	● Dialogues with customers through marketing activities ● Provision of product information ● Site tours for customers
Shareholders and investors	● General meeting of shareholders ● For analysts and institutional investors: • Financial results briefing (quarterly) • One-on-one meetings • ESG briefings • Site tours ● Conferences for overseas institutional investors ● Business briefings for individual investors ● Tours of our Research Center 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	● Various meetings and briefings on the development work ● Various meetings and briefings on the progress of projects
Business partners	● 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, and implementation of the CSR procurement questionnaires ● 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 between management and employees ● Internal briefings on information subject to public disclosures ● Training and seminars ● Kids Open Office Day ● Regular meetings with the labor union ● 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 2025, we held four financial results briefings as part of our IR activities for analysts and

institutional investors. We also conducted a site tour and held an ESG briefing attended by Outside Directors to promote understanding of our 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 reported to management and the Board of Directors.

Additionally, as part of our IR activities for individual investors, we participated in company briefings for individual investors hosted by an IR support firm in order to enhance company awareness.



Financial results briefing for the six months ended September 30, 2025



IR seminar for investors (held in Tokyo)

● Dialogue between Management and Employees

To strengthen communication between management and employees, we hold a town hall meeting every year to directly communicate our management policies and future vision. Furthermore, we hold internal briefings, where officers explain publicly disclosed information—including the background and external feedback—to deepen employees' understanding of the Company's decision-making and foster alignment across the organization.

● 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, and trying on workwear. They also learned the CCS project through hands-on learning sessions using quizzes and models of tools being used.

We expect this event to promote communication between families, deepen interaction among employees, energize the workplace, and enhance employee engagement.



Participation in Initiatives

● UN Global Compact

JAPEX has participated in the UN Global Compact (UNGC) since 2020 and has been taking measures based on 10 principles in four areas of 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, and we deepen practical knowledge and awareness of issues through interaction with other companies to work on further implementing the 10 principles.



[WEB ▶ UN Global Compact \(UNGC\)](#)

● 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, and will strengthen collaboration, co-exist, and co-prosper with our supply chain transaction partners.



[WEB ▶ Portal Website for Declaration of Partnership Building \(in Japanese only\)](#)

● Women10x

In October 2024, JAPEX joined Women10x, which was launched by WPC Energy, iSAW, an NPO supporting the advancement of women internationally, and LEWAS, an organization supporting women's empowerment in the Middle East. Through participation in this international platform aiming to promote female advancement and gender equity in the oil and gas industry, we will drive greater participation of women within and outside the company.

[WEB ▶ Women10x](#)



● GX Future League

In June 2026, JAPEX joined the GX* Future Consortium and participated in its practice forum, GX Future League. The League is a platform to make rules for reducing CO₂ emissions throughout the supply chain and creating demand for GX products and services through public and private collaboration. We will take over existing GX League activities and continue to contribute to realizing a carbon-neutral society in cooperation with the endorsing companies, the government, and other institutions.



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

[WEB ▶ GX Future League official website](#)

● Global CCS Institute

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



[WEB ▶ GCCSI official website](#)

● CCS+ Initiative

In June 2022, JAPEX joined CCS+ Initiative, 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+ Initiative aims for the accurate and separate measurement of CO₂ reduction and the monetization of such projects. Through participation in this platform, we will contribute to realizing a carbon-neutral society.



[WEB ▶ CCS+ Initiative official website](#)

● Keidanren Initiative for Biodiversity Declaration

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

[WEB ▶ Keidanren Initiative for Biodiversity Conservation official website](#)

Outside Directors' Roundtable Discussion



Engaging all stakeholders to achieve the new Management Plan: What JAPEX needs to do now as it takes on transformation

JAPEX has announced its new management plan, JAPEX Management Plan 2026–2035, which incorporates growth investments of ¥1.5 trillion, the largest in its history, to achieve sustainable growth. From the process of formulating the new Management Plan to the challenges of achieving it, four Outside Directors discussed where JAPEX stands today and where it is heading, each drawing on their own professional expertise.

A timely new Management Plan that JAPEX should pursue

May I ask for your impressions, now that the plan has been announced, of the process of formulating the new Management Plan and of its content?

Sugiyama At a time when the stable energy supply has become a matter of national debate, the new Management Plan places overseas E&P and CCUS at its core and also presents concrete figures. Management announced it on April 22, when the course of the Iran conflict remained uncertain, and I believe the timing was extremely appropriate. The ratio of individual shareholders of the Company is rising year by year, and I rate the plan highly because I

believe its content is persuasive for every type of investor. On that basis, I also believe the Company needs to explain clearly how its focus on overseas E&P relates to the stable energy supply.

Yamashita Since the conflict in Ukraine began, soaring energy prices have hit people's lives directly, and both the "stable supply" and the "affordability" of energy have come to be recognized as equally important. For the Company, this amounts to a favorable tailwind.

Internally as well, I believe management had the systems in place to apply overseas the personnel and technological capabilities it had cultivated in Japan and to take the next step forward.

Against this backdrop, the Outside Directors joined

management's discussions at an early stage of the process of formulating the Management Plan, and we were able to hold highly transparent, stepwise discussions. In particular, the plan clearly shows how JAPEX will turn CCUS technologies into something it can use commercially, and I believe this makes it easy for individual shareholders to understand as well. Investment in energy is by nature long-term, and I believe that conveying this point is also part of the Company's mission.

Wada I feel that opportunities for the Company, and for President Yamashita in particular, to be featured in the media and elsewhere have clearly increased of late. This likely reflects the rapid rise in society's interest in the energy industry. I believe that now, when society's attention is focused on JAPEX, management is being asked how it will embody the Company's Corporate Vision of "contributing to the stable energy supply in Japan" and how management will communicate the Company's reason for existing to society in concrete terms.

Merging organizational cultures without dividing domestic and overseas camps

What is your advice on "what needs to change" in order for JAPEX to achieve the corporate transformation set out in the new Management Plan?

Kakigi Among the three basic policies set out in the new Management Plan, the one I find most challenging is "corporate transformation." In other words, I believe that how management is able to transform an internal culture and organizational structure that have centered on domestic business into ones oriented toward overseas expansion will determine the success of the new Management Plan as a whole. I consider it important to create "opportunities" overseas at an early stage. No matter how much education and training is provided in-house, nothing surpasses experience at overseas sites.

I believe that merely advocating changes to the organizational structure and cultural reform in the abstract will meet strong resistance from the many employees who have developed their careers in domestic business. It is important for the Company to actively dispatch employees to front-line sites, such as assets in the U.S., and to build a system that structurally feeds the experience and the achievement processes gained there back into Japan. Ideally, assigning as many employees with overseas experience as possible



to domestic offices and deepening mutual understanding among employees would strengthen the Company's ability to execute the new Management Plan.

Sugiyama The television broadcaster I belong to was also a domestic company, but as mid-career people with language skills, negotiation skills and specialist knowledge were recruited for overseas expansion, employees in the domestic divisions also came to acquire the perspective needed to export content.

Since JAPEX is expanding overseas in E&P, which has been its mainstay business all along, I believe the Company will be fine as long as management takes a thoughtful approach to recruiting and developing its people.

Wada Regarding the Company's aim to shift the business focus to overseas markets, I see two major challenges.

The first is maintaining the motivation of employees who work in the domestic divisions. Even if the mainstay business shifts focus overseas, the domestic divisions that support it are still indispensable. The question is how will management build personnel rotation and motivational systems that allow employees in the domestic divisions to work with enthusiasm and without feeling alienated.

The second challenge is securing personnel who aspire for overseas assignments. Across Japan as a whole, people point to an

"inward-looking mindset" among young people, and we also hear of declines in the number of students studying abroad. Whether JAPEX can recruit and develop enough people who genuinely wish to go out to overseas sites and who can perform on the front lines remains, I believe, a challenge.

Yamashita Speaking from my experience at the think tank where I work, renewing the office layout and working styles, and above all bringing in diverse talent through mid-career recruitment, changed the culture of the organization. As more globally minded people joined those around us, positive interaction arose with longer-serving staff, and the atmosphere within the institute naturally changed. I feel that underlying this was the steady accumulation of efforts to "build an inclusive environment and organization" that conveyed how much the institute valued each individual staff member.

JAPEX's business requires a very long-term perspective. For that reason, I believe it is important not only to appoint people with the language and technical skills to contribute immediately, but also to send a message throughout the Company that anyone who patiently builds their skills and acquires expertise has an equal opportunity.

Kakigi This overlaps with what Ms. Yamashita said, but if I may add one point, as I mentioned earlier, I believe the Company needs to carry out personnel exchanges systematically and deliberately, such as consciously assigning people with overseas experience to domestic offices as well, so that no divide emerges between a domestic camp and an overseas camp.

Investment decisions and the risk management system, informed by lessons from the past

As JAPEX carries out an enormous investment of ¥1.5 trillion, what are your views on the role of the Board of Directors in investment decisions and risk management?

Sugiyama Learning from the bitter experience of the 2021 withdrawal from the Canadian Oil Sands Project, JAPEX has established a system where multiple Executive Committee meetings are held as a preliminary process, risks are exhaustively identified and then reported to the Board of Directors. Layering the process is extremely meaningful in enabling us to reach sound decisions within the Board's limited time for deliberation. However, if the Company hesitates to invest out of excessive concern over risk, JAPEX will miss opportunities for sustainable growth. Our role is to share rules

on the limits of tolerance that would keep management stable even in the event of failure, and on that basis to encourage disciplined challenges.

Wada I recognize that resource development carries no guarantee of complete success, and that investment decisions involve the uncertain risk that drilling will yield nothing. In addition, while bold investment is indispensable to advancing overseas E&P, hedging the compound risks of each country's regulations and litigation is also an important decision.

Kakigi One lesson from my own experience with investment projects that did not go well is the "unintended restriction and non-disclosure of information" by members on the project side. This was not deliberate concealment. One cause was that controls were too strict, so that in relation to detailed checklist items, those in the field thought that risks outside their scope did not need to be reported and would only obstruct execution of the project, and as a result management could no longer make comprehensive decisions either. There were also cases in which risks that had gone unnoticed had already materialized by the time they were noticed. To prevent this, rather than just checking the numbers, it is important that the front lines hold regular dialogue with the officers on the management side



who oversee them and make the decisions. I believe that sharing the substance of that dialogue directly with the Board of Directors is what makes risk management meaningful.

Yamashita Compared with the period when JAPEX was considering a withdrawal from Canada, information sharing has dramatically evolved. Since projects are shared with us through advance briefings and similar means from an early stage, before they are submitted to the Board of Directors, as "great amateurs," we can apply our sensitivity to risk in the preliminary evaluation. In addition, because President Yamashita, who has thorough knowledge of finance, makes the final decision grounded in data, there is a sense of stability, so the front lines share their concerns early and a multilayered process functions in which everyone shares the weight of the decision. Our own knowledge is also building, and I expect governance to function with greater effectiveness.

Secretariat functions and information access that supports the effectiveness of the Board of Directors

The revised Corporate Governance Code also highlights the importance of the systems and secretariat functions that support the Board of Directors. What are your views on this point?

Sugiyama For the Board of Directors to properly support growth



investments, it is an essential prerequisite that Outside Directors can access the information they need in a timely manner. I believe discussions at the Board of Directors will deepen further if the secretariat goes beyond scheduling and communication and strengthens its ability to connect Outside Directors smoothly with the relevant departments and to organize the background and deliberation history of each project whenever a director feels, "I would like to study this issue a little more," or, "I would like to confirm what people on the front lines think." I am fully satisfied with the current operation, but as the scale and complexity of the projects handled will increase during the execution phase of the new Management Plan, I believe there is room to enhance these support functions further.

Kakigi Enhancing the secretariat functions is important, but that does not simply mean adding organizational layers as a formality. Deeper information ultimately resides in the originating department, that is, the front lines responsible for the project. Therefore, rather than over-processing information for Outside Officers, I believe an effective arrangement is one in which we can make inquiries immediately whenever something is unclear and receive explanations directly from the originating department as necessary. Strengthening the checking function too much can, on the contrary, limit the information that reaches us. I would like the secretariat to serve as a bridge that closes the distance between Outside Directors and the front lines and ensures that real information and future outlooks reach the Board of Directors.

Wada JAPEX's business is highly specialized, and there is much that Outside Directors do not understand. In that sense, the thoughtful explanations we receive at advance briefings and similar occasions are extremely helpful. I also feel that the development of the portal site, which allows us to review materials at an early stage, is a major improvement. Rather than making judgments in a short time only at the Board of Directors itself, we now have a setup where we can read the information in advance, clarify any questions and then enter deliberations, and this leads to effective discussion.

Yamashita I believe that use of the portal site, which allows us to go back and review past materials, will become even more effective going forward. For large investment projects, it is important to make judgments based not only on the project at hand but also on past discussions and the history of similar projects. In addition, it is important to maintain an atmosphere in which Outside Directors



can freely say, "I do not understand this point, so please explain it to me." I believe that only when both a system for providing information and a relationship that allows frank questions are in place can the Company make full use of the insights of Outside Directors.

• • • • •

Achieving the new Management Plan requires both an aggressive stance that steadily executes growth investments and the discipline to assess risks. This balance is supported by a system in which necessary information is shared quickly, deeply and bidirectionally among the front lines, the Board of Directors and the Outside Directors. The four Outside Directors expressed their appreciation for the way JAPEX has evolved its information sharing and decision-making processes based on past experience, together with their expectations that management will continue to advance transformation based on real information from the front lines while involving all stakeholders. While fulfilling its social mission of stable energy supply, JAPEX will continue to take on new growth centered on overseas E&P and CCUS.

Corporate Governance

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.

Initiatives to Strengthen Corporate Governance



Governance Structure

Overview of JAPEX's Governance Structure

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 five Outside Directors and two Outside Audit & Supervisory Board Members who are insightful and independent, 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 also hold 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.

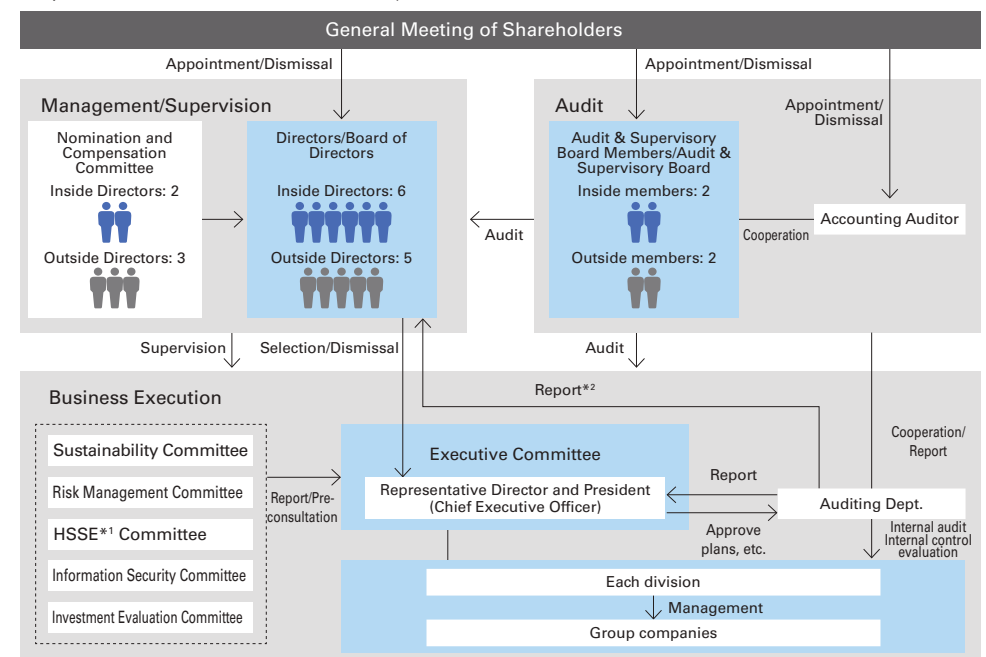
We believe that our governance structure, where independent Outside Directors and Outside Audit & Supervisory Board Members provide opinions and supervise management by operating officers, sufficiently ensures objective and appropriate decision-making.

Governance Structure Data (As of July 1, 2026)

Maximum number of Directors prescribed in Articles of Incorporation	18 persons
Term of office for Directors	1 year
Number of Directors	Number (ratio) of independent Outside Directors
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)

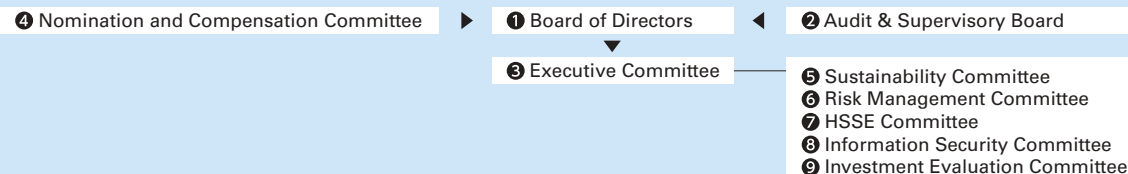
Corporate Governance Structure (As of July 1, 2026)



*1 Health, Safety, Security, and Environment: 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, 2026)



FY2025 Activity Results

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

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 FY2025
Representative Director and Chairman FUJITA Masahiro	11 Directors including 5 Outside Directors, two of which are female 4 Audit & Supervisory Board Members	13
Key issues deliberated in FY2025		

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 in connection with such participation, and so forth. In addition, the Board received reports of specific items for discussion, including the Management Plan, sustainability, IR, HSE, personnel strategies, digital transformation, health management, and the whistle-blowing system, in addition to 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 FY2025
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 FY2025		

Twelve 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-two 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 FY2025
Representative Director and President YAMASHITA Michiro	6 Directors 2 Audit & Supervisory Board Members	28
Key issues deliberated in FY2025		
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 FY2025
Outside Director YAMASHITA Yukari	5 Directors including 3 Outside Directors	5
Key issues deliberated in FY2025		
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.

Chair	Composition	Number of meetings held in FY2025
Representative Director and President YAMASHITA Michiro	5 Directors	15
Key issues deliberated in FY2025		
The committee formulated and reviewed management plans (including material issues), responded to climate change, established and reviewed natural capital-related risks and opportunities, respect for human rights, and core CSR themes and action plans.		

⑥ Risk Management Committee

The Risk Management Committee evaluates and manages various management risks from a cross-sectional perspective, including risks related to sustainability; 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 FY2025
Representative Director and President YAMASHITA Michiro	6 Directors	4
Key issues deliberated in FY2025		
Business and other risks (Revision of business risk evaluation)		

⑦ HSSE Committee

The HSSE Committee deliberates on basic policies and key matters related to HSSE, the progress of Medium-term HSE Plans, and other related matters.

Chair	Composition	Number of meetings held in FY2025
Executive Officer TAKAHASHI Toshihiro	1 Director	2
Key issues deliberated in FY2025		
Review of the HSE plan for FY2025 and Medium-term HSE Plan for FY2024, etc.		

⑧ Information Security Committee Deliberation of issues related to Information Security.

Chair	Composition	Number of meetings held in FY2025
Director and Senior Managing Executive Officer NAKAJIMA Toshiaki	4 Directors	2
Key issues deliberated in FY2025		
A security policy for IT-OT connectivity and revision of the Information Security Basic 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 FY2025
Director and Senior Managing Executive Officer NAKAJIMA Toshiaki	2 Directors	8
Key issues deliberated in FY2025		
Deliberation on 8 new investment projects		

● Evaluation of the Effectiveness of the Board of Directors

JAPEX conducts an annual evaluation of the effectiveness of the Board of Directors through a survey of all Directors and Audit & Supervisory Board Members to regularly assess whether the Board is fulfilling its role and contributing to the enhancement of corporate value over the medium to long term.

For fiscal 2025, the Board of Directors discussed the evaluation policy and survey in December 2025. An anonymous questionnaire survey was conducted from December 2025 through January 2026, and the Board of Directors discussed the aggregated results and the policy for the following fiscal year at its meeting in March 2026.

Initiatives Implemented in FY2025

JAPEX implemented initiatives to address issues identified in the previous year's evaluation of the effectiveness of the Board of Directors.

- **Effectiveness of nomination and compensation:** The Nomination and Compensation Committee discussed the appointment policy for Executive Officers with the participation of all Outside Directors, and the Board of Directors approved the Executive Officer Appointment Criteria. JAPEX also strengthened the involvement of Outside Officers in the selection process by holding opinion exchange meetings between Outside Officers and Associate Executive Officers.
- **Operation of the Board of Directors:** JAPEX developed a "Board Portal" to facilitate the prompt provision of materials and improve their searchability. JAPEX also reviewed the evaluation process and survey content for the effectiveness of the Board of Directors.

Results of the FY2025 Evaluation

Based on the results of the fiscal 2025 evaluation of Board effectiveness, JAPEX determined that the overall effectiveness of the Board of Directors has been sufficiently ensured, as active questions and exchanges of views take place, particularly among the Outside Officers, and an environment has been fostered in which each member can express their views freely under appropriate meeting facilitation. At the same time, the following issues were identified to further enhance corporate governance:

- **Roles and responsibilities of the Board:** Ensuring sufficient discussion of growth strategies and verification of their execution in response to changes in the business environment; devising more effective approaches to dialogue with shareholders and investors; and incorporating the feedback obtained through such dialogue into management.
- **Effectiveness of nomination and remuneration:** Continuing to ensure the appropriate application of the established Executive Officer Appointment Criteria.

- **Operation of the Board of Directors:** Enhancing the information infrastructure and opportunities for dialogue available to Outside Officers; further improving and establishing the Board Portal; and enhancing mechanisms for objectively verifying the effectiveness of the Board.

Policy for Future Initiatives

Based on the issues identified, JAPEX will focus on the following initiatives:

Roles and responsibilities of the Board: Setting key themes to be discussed at the Board of Directors' meetings throughout the fiscal year (already implemented), deepening discussions on management strategy, and strengthening feedback from the capital markets.

- **Effectiveness of nomination and remuneration:** Ensuring the appropriate application of the Executive Officer Appointment Criteria
- **Operation of the Board of Directors:** Enhancing the provision of information to Outside Officers and continuing close dialogue between Outside and Inside Officers; optimizing the provision of information; and continuously reviewing the methods used to evaluate Board effectiveness.

● 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.

● Initiatives for Management Personnel Development

To expand the pool of management candidates, we provide ongoing training to develop selected employees in management positions through our management personnel development program. In appointing Executive Officers, the President reviews the succession plans and other relevant matters for each department and develops proposals for candidates for Executive Officer in accordance with the procedures stipulated in the Executive Officer Appointment Criteria. The appointments are then approved by resolution of the Board of Directors.

Prior to deliberation by the Board of Directors, the appointment of Executive Officers is deliberated by the Nomination and Compensation Committee, which is composed of a majority of Outside Directors.

Trend of the JAPEX's Strategic Shareholdings

① Shares other than unlisted shares

	FY2021	FY2022	FY2023	FY2024	FY2025
Number of issues	4	4	4	4	4
Total balance sheet amount (Millions of yen)	79,327	76,530	129,734	58,387	138,447

② Unlisted shares

Number of issues	21	20	21	20	18
Total balance sheet amount (Millions of yen)	1,821	1,807	2,209	2,000	1,481

①+②

Total balance sheet amount of (1) and (2) (Millions of yen)	81,148	78,337	131,943	60,387	139,928
Percentage of strategic shareholdings to consolidated net assets	20.1%	17.1%	24.5%	10.8%	21.2%

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 to Directors upon retirement.

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 significantly affected by external factors such as fluctuations of crude oil and natural gas prices as well as foreign exchange rates, making it difficult to set an appropriate figure that works as an incentive.

For fiscal 2025, JAPEX posted consolidated profit of ¥53,427 million. The indicator for share-based compensation as part of performance-linked compensation is the total return ratio, which was 31.24% for fiscal 2025.

Total Amount of Compensation for Directors and Audit & Supervisory Board Members (FY2025)

Position	Total amount of consolidated compensation*1 (Millions of yen)	Total amount of each type of compensation*1 (Millions of yen)			Number of recipients (Persons)
		Base compensation	Performance-linked compensation		
			Bonus	Share-based compensation	
Directors (Outside Directors)	404 (60)	286 (60)	68 (—)	48 (—)	15 (7)
Audit & Supervisory Board Members (Outside Audit & Supervisory Board Members)	74 (24)	74 (24)	—	—	5 (2)
Total (Outside Officers)	478 (84)	361 (84)	68 (—)	48 (—)	20 (9)

*1 Comprises the amount paid or allocated for base compensation, provision for bonuses, and provision equivalent to money provided based on the acquired points under share-based compensation that were provided during the fiscal year.

*2 Includes four Directors and one Audit & Supervisory Board Member who retired upon the conclusion of the 55th Ordinary General Meeting of Shareholders held on June 25, 2025.

Directors, Audit & Supervisory Board Members, and Executive Officers (As of July 1, 2026)

[WEB ▶ Executives and Career Summary](#)

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: 7 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: 8 years (June 2018)



Representative Director, Executive Vice President **NAKAJIMA Toshiaki**
President of Corporate Strategy Division, in charge of Legal Office

Apr. 1986 Joined JAPEX
Jun. 2026 Assumed his current position
Length of service: 4 years (June 2022)



Director, Senior Managing Executive Officer **YAMADA Tomomi**
President of Overseas Business Division

Apr. 1985 Joined JAPEX
Apr. 2026 Assumed his current position
Length of service: 1 year (June 2025)



Director, Managing Executive Officer **FUNATSU Jiro**
In charge of Administration Dept. and Human Resources Dept.

Apr. 1988 Joined JAPEX
Jun. 2024 Assumed his current position
Length of service: 2 years (June 2024)



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: 1 year (June 2025)



Outside Director **YAMASHITA Yukari***

Jun. 2019 Assumed her current position
Length of service: 7 years (June 2019)



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: 4 years (June 2022)



Outside Director **KAKIGI Koji***

Jun. 2025 Assumed his current position
Length of service: 1 year (June 2025)



Outside Director **WADA Masaki***

Jun. 2025 Assumed his current position
Significant position concurrently held
Attorney at Wada Law Office
Length of service: 1 year (June 2025)



Outside Director **MIMURA Akiko***

Jun. 2026 Assumed her current position
Significant position concurrently held
Of Counsel/Special Advisor at Abe, Ikubo & Katayama
Length of service: – (June 2026)



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.

Audit & Supervisory Board Members

Full-time Audit & Supervisory Board Member

ASAI Masaru

Apr. 1982 Joined JAPEX
Jun. 2025 Assumed his current position
Length of service: 1 year (June 2025)



Full-time Audit & Supervisory Board Member

YOSHIDA Kosei

Apr. 1988 Joined JAPEX
Jun. 2026 Assumed his current position
Length of service: – (June 2026)



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: 4 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: 2 years (June 2024)



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

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
TAKETANI Atsushi

Executive Officer
OYAMA Takashi

Executive Officer
HINO Tomoyuki

Executive Officer
SHIBUTA Tetsuji

Executive Officer
IZUMI Takashi

Executive Officer
KANNO Satoshi

Executive Officer
WADA Dai

Fellow
TAKANO Osamu

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.

Message from the Newly Appointed Outside Officer

Outside Director **MIMURA Akiko**

Brief history

Apr. 1983 Appointed as a judge
Apr. 1998 Judicial Research Official, Supreme Court of Japan
Apr. 2008 Presiding Judge, Tokyo District Court
Aug. 2014 President, Sendai Family Court
Jun. 2015 President, Yokohama Family Court
Feb. 2016 Commissioner of Japan Fair Trade Commission
Apr. 2026 Recorded attorney (Daiichi Tokyo Bar Association) (current title)
Apr. 2026 Of Counsel/Special Advisor at Abe, Ikubo & Katayama (current title)
Jun. 2026 Director at JAPEX (current title)

For 33 years, I served as a judge, handling trials of various civil and commercial cases, and I then became a Commissioner of the Japan Fair Trade Commission, where for 10 years I engaged in the enforcement of the Antimonopoly Act and other competition laws, and in the implementation of competition policy, thereby accumulating diverse experience relating to a wide range of contemporary issues. In April 2026, I took a new step forward as an attorney, and I now take a keen interest in the issues that corporate activities face and in the path toward future economic growth.

In recent years, natural disaster risks and geopolitical risks have heightened interest in securing a stable supply of energy and other resources. The de facto closure of the Strait of Hormuz in 2026, however, presented a grave situation for energy and economic security, important real-world challenges that concern the very core and foundation of Japan's economy, society and the daily lives of the public. In addition, large-scale natural disasters occur frequently around the world, and the need for measures against global warming is growing ever greater. Under these circumstances, expectations are weighing ever more heavily on JAPEX, which has the responsibility of ensuring a stable energy supply through its advanced technological capabilities and experience, and of developing businesses toward the realization of a carbon-neutral society. I too feel the weight of the responsibility that comes with my involvement in JAPEX, and I intend to apply the knowledge and experience I have accumulated in whatever form I can, working earnestly for the growth of JAPEX as it aims to ensure a stable energy supply and realize a clean society.

*1 Outside Audit & Supervisory Board Members as defined under Article 2, item 16 of the Companies Act.

*2 Support the management with a high degree of expertise in specialized fields.

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
	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
	MIMURA Akiko	To use her extensive knowledge and experience as a legal and risk management specialist, gained through her service for many years as a judge and a commissioner of the Japan Fair Trade Commission, in the Company's management
Outside Audit & Supervisory Board Member	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

Reasons for the selection of each area in the skills matrix

Skill area	Reason for selection
Corporate management	The knowledge and skills in corporate management are essential to decide on and execute management policies from a broad perspective and to oversee their implementation in order to address the challenging management issue of balancing a stable energy supply with a realistic transition to a decarbonized society in a rapidly changing business environment
Finance/Accounting/Tax affairs	Knowledge and skills in financial affairs, accounting, and tax affairs are essential to decide on financial and capital strategies that realize the business strategies set forth in the management plan and to ensure governance in financial affairs, accounting, and tax affairs
Legal affairs/Risk management	Knowledge and skills in legal affairs and risk management are essential to ensure compliance, including compliance with laws and regulations as a foundation of management, accurately identify management risks, and implement appropriate countermeasures
Human resources strategy/Diversity	Knowledge and skills in human resources strategy, including human capital management, and diversity are essential to implement a human resources strategy aligned with the management plan, including securing talent for key positions critical to business strategy and building the diverse talent base that underpins them, as human resources are essential for the realization of the management plan
ESG/Sustainability	Knowledge and skills related to ESG and sustainability management are essential to reflect materiality, a key issue of our growth strategy, in our business policies, as we believe that, as a company whose mission is to ensure a stable energy supply, our business activities themselves directly link to solving social issues, including the contribution to a net-zero society through the decarbonization of fossil fuels with a focus on CCUS
Knowledge on the energy industry	Knowledge and skills related to a broad range of energy industries including electric power and CCUS in addition to oil and natural gas are essential to deliver the strategies of our diverse energy businesses, including the E&P Business (exploration, development, and production of oil and natural gas), Infrastructure/Utility Business (natural gas and LNG supply as well as power supply), and Carbon Neutral Business (such as CCUS)
Global business	Knowledge and skills in global business, including geopolitical risks and energy policies in each country, are essential to advance the E&P and Carbon Neutral Businesses globally, with the U.S., Norway, and Southeast Asia as key overseas regions
Technologies/Digital Transformation	Knowledge in technology and digital transformation is essential to drive business strategies supported by technical knowledge of various energy such as technologies related to the E&P and the Carbon Neutral Businesses including CCUS and to promote digital transformation to achieve value creation aligned with the business strategies

Skills Matrix

Name	Title	Nomination and Compensation Committee	Corporate management	Finance/Accounting/Tax affairs	Legal affairs/Risk management	Human resources strategy/Diversity	ESG/Sustainability	Knowledge on the energy industry	Global business	Technologies/Digital Transformation
FUJITA Masahiro	Representative Director and Chairman	Member	○		○	○	○	○	○	
YAMASHITA Michiro	Representative Director and President	Member	○	○	○	○	○	○	○	
NAKAJIMA Toshiaki	Representative Director		○	○	○		○	○		○
YAMADA Tomomi	Director							○	○	○
FUNATSU Jiro	Director				○	○	○	○		
NAKANO Masanori	Director		○					○		○
YAMASHITA Yukari	Outside Director	Chair				○	○	○	○	○
SUGIYAMA Yoshikuni	Outside Director	Member	○		○	○	○	○		
KAKIGI Koji	Outside Director	Member	○		○	○	○	○	○	
WADA Masaki	Outside Director				○		○			
MIMURA Akiko	Outside Director				○	○	○			
ASAI Masaru	Full-time Audit & Supervisory Board Member			○	○			○		
YOSHIDA Kosei	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.

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.

[WEB ▶ Risk Information](#)
[WEB ▶ Risk Management](#)

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 and reported 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 fiscal 2025, in addition to the above matters, the Committee met four times to discuss topics including a study on external environmental trends regarding climate change risks and a progress report on the GHG emission intensity reduction target.

Among the risks identified by the Risk Management Committee, those deemed to be management issues requiring long-term action are forwarded to the Sustainability Committee—which oversees

JAPEX2050, the JAPEX Management Plan 2026–2035, and ESG (Environmental, Social, and Governance) matters—to discuss response policies.

The Sustainability Committee is charged with managing JAPEX2050 and JAPEX Management Plan 2026–2035, 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.

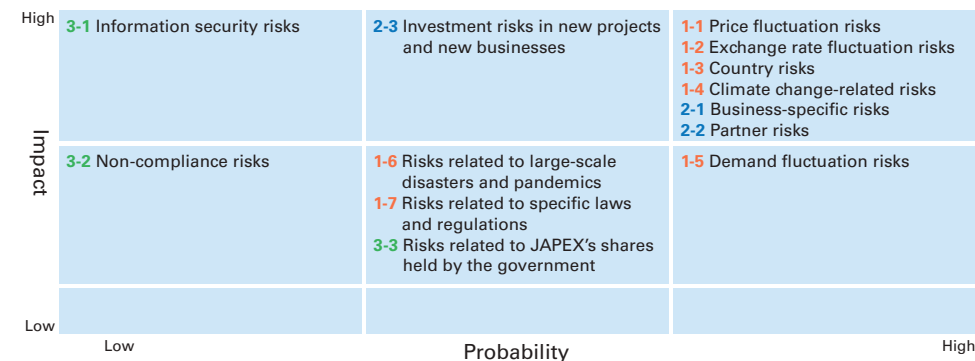
The risk management system, including the secretariat of the Risk Management Committee, is jointly promoted by the Investment Management Dept. of the Corporate Strategy Division and the Legal Office.

Integrated Risk Management

JAPEX prepares a risk matrix by identifying and evaluating company-wide risks. Each division identifies risks based on its business activities, operating regions, and regulatory environment, then quantitatively assesses each risk from the perspectives of its probability and impact. The Risk Management Committee reviews these risk assessments annually. Following a report to the Board of Directors, the details are disclosed in our Integrated Report and on our corporate website.

Currently, we have identified the following major risks. Recognizing the potential for these risks to materialize, we strive to avoid them and to take appropriate measures in the event of their occurrence.

Risk Map



■ 1. Risks related to the external environment
 ■ 2. Risks related to business activities
 ■ 3. Risks related to business foundation

In fiscal 2025, in addition to updating the risk assessment, we quantitatively assessed the financial impact of compound risks—assuming the simultaneous occurrence of multiple major risks—and reported the results to the Board of Directors.

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. 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 on the right. 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, to respond to rapid changes in the business environment surrounding climate change, since fiscal 2020 we have strengthened our monitoring of trends—such as the introduction of carbon taxes, GHG emission reduction targets, and emission regulations—in the host countries and regions of each project. Results of each DGR are reported to the Executive Committee and the Board of Directors, which make final investment decisions (FIDs) for projects.

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, we conduct DGR-5 to utilize insights and takeaways acquired in the course of business operations (“Lessons Learned”) in future investment decisions. The DGR-5 primarily focuses 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.

These initiatives are also implemented to verify the effectiveness of our risk management processes.

Information Security

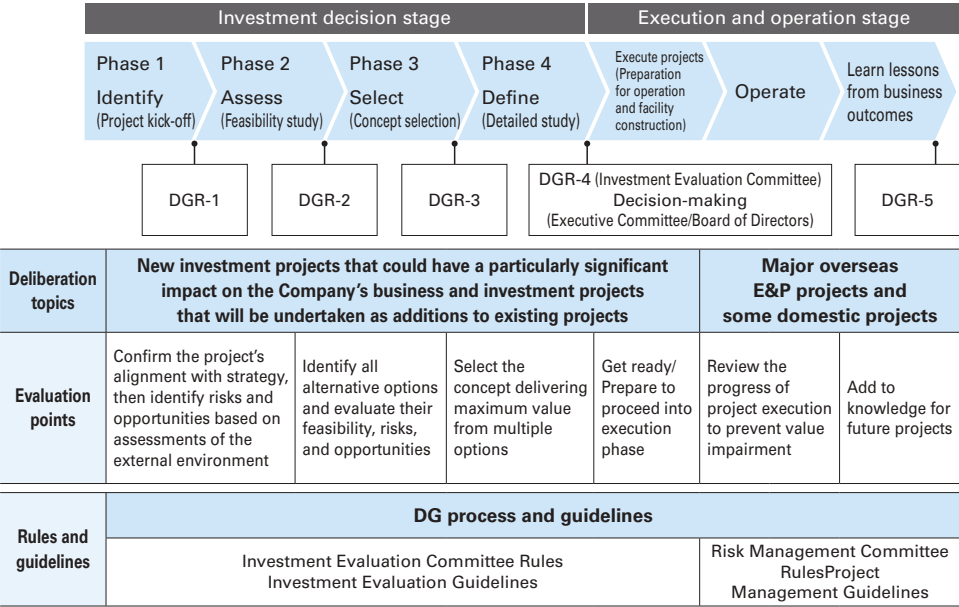
JAPEX has established the Information Security Committee to appropriately address business continuity risks, such as cyberattacks and information leaks. Under the Committee, we promote company-wide risk management initiatives, including the continuous improvement of information security management based on the PDCA cycle and the assessment of our incident response activities.

In fiscal 2025, we introduced a new identity management platform to strengthen authentication and enhanced various measures based on the Cybersecurity Management Guidelines published by the Ministry of Economy, Trade and Industry and the Innovation Platform Agency, Japan (IPA). In addition, we established a framework for the Computer Security Incident Response Team (CSIRT)—a specialized

Emergency Response and Business Continuity Plans

To ensure an appropriate response to emergencies at operation sites and fields, we have established the Emergency Countermeasure Regulations and various response manuals. In the event of an emergency, business divisions and major business locations collect information and issue communications and instructions in accordance with these guidelines. We also establish an Emergency Response Headquarters to manage the situation. Moreover, we have developed Business Continuity Plans (BCP)

DG Process Overview



organization to respond promptly to cybersecurity incidents— and are working to strengthen our incident response capabilities. We also provide employees with regular information security education and training to raise awareness, and have maintained zero major information security incidents.

In fiscal 2026, we will strengthen our integrated IT and OT security management system by expanding security measures at operation sites and fields (OT environments), while establishing an integrated information security governance framework across the Group globally. Through these efforts, we will work to minimize the risk of business disruptions.

and initial response manuals to address incidents that would severely impact our business, such as major earthquakes and infectious disease outbreaks

At major business locations, we continuously improve our response procedures through various emergency drills and employee safety confirmation drills, while reinforcing our disaster prevention systems in cooperation with our Group companies and local disaster prevention organizations.

Compliance

Basic Concept

To remain a company trusted by society, JAPEX is striving to establish a corporate culture of compliance with socially accepted practices 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.

WEB ▶ Compliance

Compliance

● Framework

JAPEX has formulated the JAPEX Group Code of Ethics and Conduct, the Compliance Manual, and a collection of explanatory materials in the form of case studies to ensure all officers and employees in the JAPEX Group to act with business ethics and adhere to compliance. These documents are revised as appropriate and disseminated to all employees.

Also, we deliberate on the framework and policies of compliance-related tasks and conduct investigations into compliance violations at the Management Risk Committee chaired by the President.

● Prevention of Bribery and Corruption

The JAPEX Group Code of Ethics and Conduct requires each officer and employee to maintain sound and proper relations with politics and administration. Based on this, detailed compliance requirements are outlined in the Compliance Manual, which are rigorously being enforced among all officers and employees in the JAPEX Group.

In addition, to ensure strict compliance with anti-bribery laws and regulations, we have formulated the Anti Bribery Guideline, which includes the clarification of internal check procedures. We are working to enhance the effectiveness through regular self-checks based on the guideline. Also, anti-bribery training is provided for employees to prevent bribery and corruption.

In fiscal 2025, there were no violation cases of anti-bribery laws and regulations. Further, we did not make any political donations.

● Education

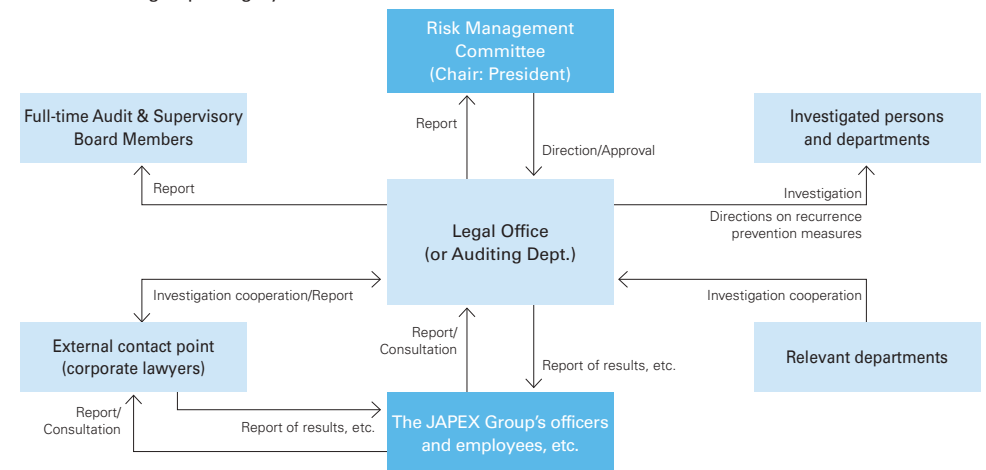
We underscore three core elements: sustainability, compliance, and prevention of insider trading, as foundational topics that all officers and employees should put into practice and comply with in their daily work. These topics are included as mandatory topics in annual new employee training and career stage training.

● Whistleblowing Reporting System

The JAPEX Group has a whistleblowing system for a wide range of compliance matters such as respect for human rights, fair procurement and trade, and maintenance of proper and appropriate relationships with politics and governments in accordance with the Whistleblower Protection Act. This system enables employees to report to or consult with an External Attorney while ensuring strict confidentiality to enable anonymous reporting and consultation. We also ensure that employees who make a report are protected to the fullest extent from any forms of disadvantages.

In fiscal 2025, we received two reports under this system (excluding harassment-related reports) and handled them appropriately.

Whistleblowing Reporting System



Respect for Human Rights

Respect for Human Rights

WEB ▶ 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." Through this policy, we demonstrate the JAPEX Group's commitment to 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.

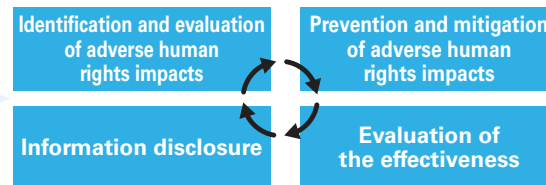
● Human Rights Due Diligence

Based on the UN "Guiding Principles on Business and Human Rights," we work to identify, prevent, and mitigate adverse human rights impacts in our 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.

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 peoples' rights
- Human rights abuses by security or other personnel

Human Rights Due Diligence



FY2025 Results

In fiscal 2025, we conducted a questionnaire survey of our transaction partners on measures to address human-rights risks, and evaluated their systems for implementing human rights due diligence and their responses to individual human rights issues. As a result, although certain risk mitigation measures have been implemented in response to individual human rights issues overall, human rights policies have been formulated by only just over 60% of the partners, indicating delays in establishing the necessary systems. As inadequate human rights due diligence systems may hinder the early identification of human rights issues, we will continue to conduct ongoing monitoring.

Survey targets for the self-assessment questionnaire (SAQ)

- Transaction partners that did not participate or respond in the previous fiscal year

Survey results (key issues)

- 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

Specific initiatives

- Request each Transaction Partners to take steps to improve on an as-needed basis

● Education

In fiscal 2025, we provided training to officers and employees, including advisors, contract employees, and part-time employees, to promote their understanding of corporate responsibility to respect human rights and our human rights policy. A total of 1,343 employees participated in the training, representing a participation rate of 94%.

As part of our efforts to prevent harassment, we also continue to provide harassment prevention training to the same group of officers and employees.

● Grievance Mechanisms

To appropriately address concerns relating to human rights, we have established reporting and consultation channels that can be used by all stakeholders, both internal and external, involved in our business activities.

For internal stakeholders, we have established compliance reporting and consultation channels as well as harassment consultation channels.

For external stakeholders, we accept reports through the "Engagement and Remedy Platform" operated by the Japan Center for Engagement and Remedy on Business and Human Rights (JaCER). By accepting reports through a third-party organization, we ensure a fair and transparent response and work toward resolving human rights issues. We also ensure the anonymity of those who submit reports and the confidentiality of the information reported.

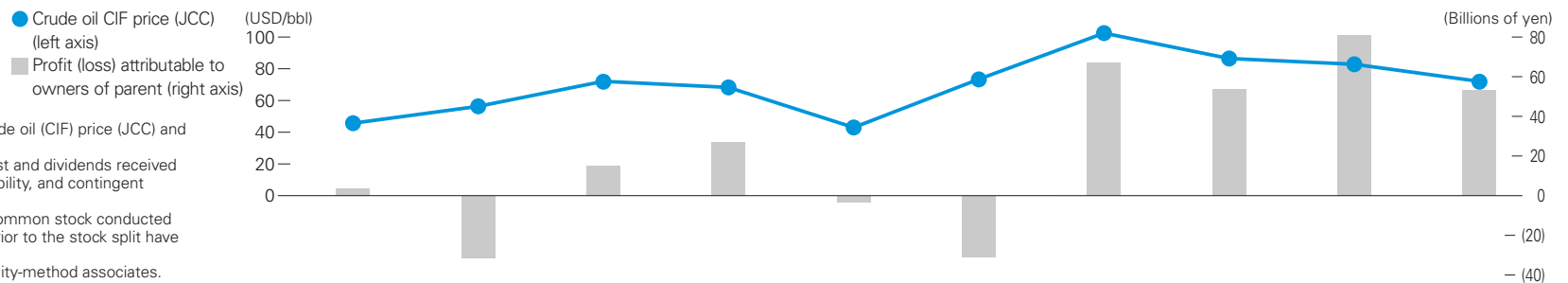
Data Section

- 68 Financial Highlights
- 69 Non-Financial Highlights
- 70 External Evaluation
- 71 Corporate Data
- 73 Glossary

Financial Highlights

(Fiscal years ended March 31)

	2017/3	2018/3	2019/3	2020/3	2021/3	2022/3	2023/3	2024/3	2025/3	2026/3
Crude oil CIF price (JCC)* ¹ (USD/bbl)	45.60	56.20	71.94	68.11	42.91	73.28	102.26	86.28	82.66	71.89
Exchange rate* ¹ (JPY/USD)	108.53	111.67	110.35	109.15	105.86	111.20	132.86	143.28	152.83	149.85
For Fiscal Year (Millions of yen)										
Net sales	207,130	230,629	267,980	318,822	240,078	249,140	336,492	325,863	389,082	340,336
Cost of sales	174,957	191,366	233,133	271,780	203,543	199,237	240,380	238,567	289,924	263,595
Exploration expenses	1,512	1,324	788	893	989	359	2,885	3,536	3,172	1,965
Selling, general and administrative expenses	29,975	29,173	31,743	31,864	31,352	29,734	31,139	28,512	33,972	35,860
Operating profit	685	8,764	2,313	14,283	4,192	19,809	62,085	55,247	62,012	38,915
Ordinary profit	2,222	3,828	12,523	32,635	10,001	43,674	83,130	68,808	64,221	61,556
Profit (loss) attributable to owners of parent	3,443	① (30,959)	14,770	26,815	(2,725)	⑤ (30,988)	67,394	53,661	⑧ 81,153	53,427
EBITDA* ²	21,887	33,211	41,736	58,296	37,150	57,391	85,316	93,606	125,334	95,515
Net cash provided by (used in) operating activities	43,672	52,881	30,970	69,895	43,263	(1,052)	104,581	90,564	130,766	102,976
Net cash provided by (used in) investing activities	(84,686)	(54,218)	(13,969)	(13,969)	(6,453)	52,067	(52,723)	(99,659)	(107,076)	⑨ (200,494)
Net cash provided by (used in) financing activities	18,360	(1,196)	(15,493)	(13,743)	(15,626)	(70,939)	(14,506)	(28,596)	(38,671)	6,007
Cash and cash equivalents at end of period	103,630	99,892	100,633	138,259	157,963	144,513	186,166	152,598	140,931	49,954
At Fiscal Year-end (Millions of yen)										
Total assets	746,739	699,536	655,288	627,132	624,786	471,941	568,180	660,928	681,598	862,470
Net assets	510,609	459,255	450,156	440,157	434,492	402,770	457,169	537,574	557,257	658,897
Long-term borrowings	141,903	135,959	127,715	118,774	50,180	510	250	—	—	—
Interest-bearing debt* ³	176,012	170,193	151,726	140,848	118,710	6,156	10,412	9,091	14,980	37,152
Financial Ratios*⁴										
Basic earnings (loss) per share (Yen)	12.04	(108.34)	51.68	93.83	(9.55)	(109.13)	247.33	198.89	314.91	208.74
Return on Equity (%)	0.8	(7.2)	3.5	6.5	(0.7)	(8.0)	16.9	11.5	15.7	9.2
Debt-to-EBITDA ratio (Times)	8.0	5.1	3.6	2.4	3.2	0.1	0.1	0.1	0.1	0.4
Net assets per share (Yen)	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	2,451.33
Annual dividends per share (Yen)	3.00	4.00	8.00	10.00	10.00	10.00	⑦ 74.00	60.00	55.00	65.00
Production Volume in the Fiscal Year (daily)*⁵ (Thousand boe/d)										
Production volume* ⁵	Domestic	19	18	17	17	15	14	13	12	11
	Overseas	52	42	③ 45	60	46	44	15	20	28
	Total	72	60	62	76	62	59	28	32	39
Proved Reserve Volume at Fiscal Year-end (Millions of boe)										
Proved reserves	Domestic	74	73	64	58	51	54	52	56	58
	Overseas	277	② 229	④ 323	296	266	⑥ 105	85	84	⑨ 197
	Total	352	302	387	355	317	159	137	141	255



*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

*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.

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 Impairment loss due to decision to end commercialization of Canadian LNG Project.
- ② Decision to end commercialization of Canadian LNG Project.
- ③ Achievement of stable production of 20,000 barrels/d in Canadian Oil Sands Project.
- ④ Decision on additional development in Iraq Garraf Oil Field.
- ⑤ Extraordinary losses resulting from the end of our participation in two projects in Canada.

- ⑥ End of our participation in two projects in Canada.
- ⑦ Adoption of consolidated dividend payout ratio as a dividend policy.
- ⑧ Recording of gain on sale of investment securities.
- ⑨ Acquisition of Verdad's assets related to tight oil development in the U.S.

Please follow the link below to "10 Year Financial Data" for information on segment profit (loss) by region.

[WEB ▶ 10 Year Financial Data](#)

Non-Financial Highlights

(Fiscal years ended March 31)

			2020/3	2021/3	2022/3	2023/3	2024/3	2025/3	2026/3
Environment									
Greenhouse gas emissions (1,000 tons-CO ₂)	Scope 1	Domestic	230	207	185	217	217	184	182
		Overseas	542	534	369	0	0	0	0
	Scope 2	Domestic	53	61	57	33	20	30	28
		Overseas	41	14	10	0	0	0	0
	Scope 3		—	16,511	10,055	7,125	8,361	10,094	9,037
Energy consumption (TJ)		Domestic	2,971	3,102	3,052	3,190	3,002	2,914	2,901
		Overseas	10,764	10,936	7,459	0	1	1	1
		Total (Domestic + Overseas)	13,734	14,038	10,511	3,190	3,003	2,915	2,902
Water withdrawal*1 (1,000 kL)		Domestic	943	871	45,524	47,310	46,713	46,960	48,145
		Overseas	201	293	166	0	0	0	0
		Total (Domestic + Overseas)	1,144	1,164	45,690	47,310	46,713	46,960	48,145
Water discharge*1 (1,000 kL)		Domestic	1,212	1,607	46,566	48,266	47,631	47,842	49,052
		Overseas	282	210	121	0	0	0	0
		Total (Domestic + Overseas)	1,494	1,816	46,687	48,266	47,631	47,842	49,052
Social									
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	0.28
		Total Recordable Injury Rate (TRIR)*4	1.46	0.58	0.88	1.39	2.53	1.45	1.70
	Overseas	Fatal Accident Rate (FAR)*2	0.00	0.00	0.00	—	—	—	—
		Lost Time Injury Frequency (LTIF)*3	0.00	2.42	0.00	—	—	—	—
		Total Recordable Injury Rate (TRIR)*4	7.94	7.25	0.00	—	—	—	—
Number of employees (Persons)	Consolidated		1,739	1,780	1,634	1,617	1,641	1,653	1,670
	Non-consolidated		919	937	965	954	979	972	993
Number of mid-career hires (Persons)	Non-consolidated		17	30	31	25	42	35	34
Turnover rate (voluntary) (%)	Non-consolidated		2.0	2.0	3.2	2.5	1.6	3.5	2.4
Average length of service (Years)	Non-consolidated		17.1	16.6	16.0	15.7	15.0	14.7	14.1
Percentage of female managers (%)	Non-consolidated		5.2	5.9	6.0	6.0	5.9	6.4	8.1
Employment rate of people with disabilities (%)	Non-consolidated		2.6	2.8	2.6	2.6	2.8	2.9	2.9
Annual paid leave	Non-consolidated	Average days of paid leave taken (Days)	14.7	14.0	15.4	15.8	15.8	15.2	15.5
		Average days of paid leave taken (Days)	77.4	73.3	81.5	83.2	84.3	80.8	81.7
Childcare and caregiver leave	Non-consolidated	Percentage of male employees taking childcare leave (%)	44.1	45.3	75.6	58.9	60.0	100	84.2
		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	1	1	0	1	1	0
		Number of employees taking time off for caregivers (Persons)	12	13	20	17	24	32	31

*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 million work hours.

*3 Lost Time Injury Frequency: Calculated as the number of lost time injuries per one million work hours.

*4 Total Recordable Injury Rate: Calculated as the number of total recordable injuries per one million 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.

WEB ESG Performance Data

External Evaluation

Credit Rating

Moody's: **Baa2** (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 JPX Blossom Japan Index

● FTSE JPX Blossom Japan Index

This is a comprehensive ESG index that reflects the performance of Japanese companies demonstrating excellent ESG practices, as evaluated using the ESG rating scheme developed by FTSE Russell. It is one of the ESG indices adopted by the Government Pension Investment Fund (GPIF).



FTSE JPX Blossom Japan Sector Relative Index

● FTSE JPX Blossom Japan Sector Relative Index

This is a comprehensive ESG index that reflects the performance of Japanese companies that demonstrate relatively strong ESG practices within their respective sectors. 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. It 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, in which the weighting of its components is determined based on their level of environmental disclosure and carbon efficiency (carbon emissions per unit of net sales). It is one of the ESG indices adopted by GPIF.

● MSCI Japan Empowering Women Index (WIN)*

Developed by MSCI Inc., this index selects companies from each sector with high Gender Diversity Scores. These scores are calculated from multiple perspectives based on female employment data disclosed under the Act on Promotion of Women's Participation and Advancement in the Workplace. It is one of the ESG indices adopted by GPIF.

2025 CONSTITUENT MSCI JAPAN
EMPOWERING WOMEN INDEX (WIN)

*MSCI ESG Indexes

THE INCLUSION OF Japan Petroleum Exploration Co., Ltd. IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF Japan Petroleum Exploration Co., Ltd. BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.

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. Its scores, which are published globally, serve as a key indicator for measuring 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 2025, JAPEX was awarded the "Silver" rating in the "PRIDE Index 2025" formulated by the general incorporated association "work with Pride" in recognition of its efforts to support LGBTQ+ and other sexual minorities in the workplace.



● KENKO Investment for Health Stock Selection 2026

JAPEX has been selected for inclusion in the KENKO Investment for Health Stock Selection 2026 (for the third time). This program is jointly administered by the Ministry of Economy, Trade and Industry (METI) and the Tokyo Stock Exchange (TSE) to recognize listed companies that demonstrate outstanding "health and productivity management" by strategically approaching employee health management from a corporate management perspective.



● "Platinum Kurumin" certification

In March 2026, JAPEX was awarded the "Platinum Kurumin" certification by the Tokyo Labour Bureau of the Ministry of Health, Labour and Welfare. This recognizes us as a top-tier childcare-supporting company that helps employees balance work and childcare, based on our action plan (April 2023–March 2025) formulated under 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 empowerment.



Corporate Data (As of March 31, 2026)

● 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	1,670 (consolidated basis)
Head Office	SAPIA Tower, 1-7-12 Marunouchi, Chiyoda-ku, Tokyo 100-0005, Japan TEL: +81-3-6268-7000 (Administration & Legal Dept.)

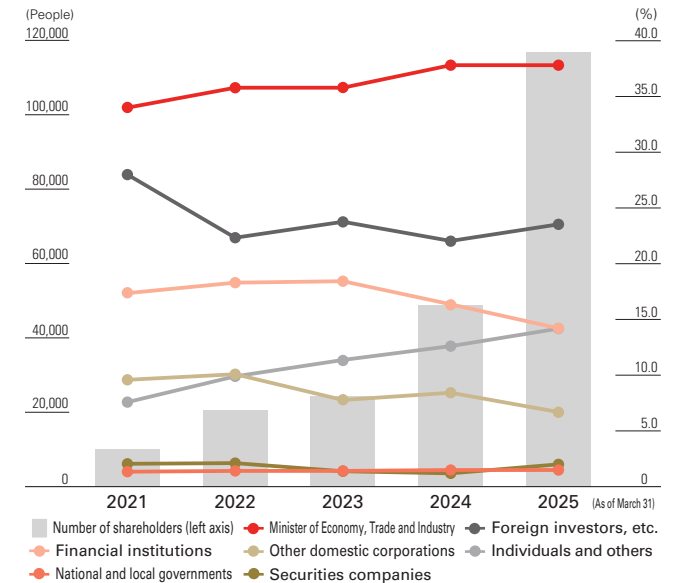
● Stock Information

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	116,942
Major Shareholders	

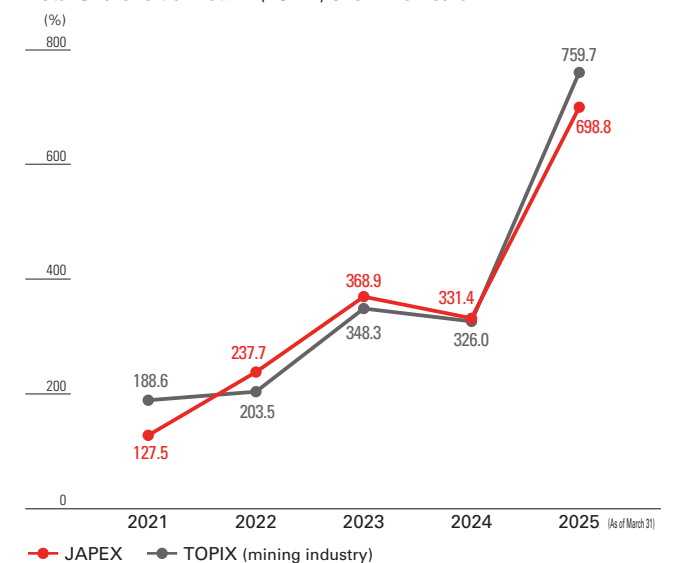
Shareholder name	Number of shares	Shareholding ratio*1 (%)
Minister of Economy, Trade and Industry	97,163,620	37.84
The Master Trust Bank of Japan, Ltd. (Trust Account)	21,703,900	8.45
State Street Bank and Trust Company 505223	6,763,476	2.63
Custody Bank of Japan, Ltd. (Trust Account)	6,213,600	2.42
State Street Bank and Trust Company 505001	5,881,223	2.29
JFE Engineering Corporation	4,620,060	1.80
INPEX CORPORATION	3,565,265	1.39
State Street Bank and Trust Company 505103	3,111,987	1.21
Marubeni-Itochu Steel Inc.	2,367,220	0.92
BNP Paribas Luxembourg/2S/JASDEC/Janus Henderson Horizon Fund	2,271,900	0.88

*1 Calculated by excluding treasury shares (242,778 shares).

Number of Shareholders and Shareholding (%) by Shareholder Type



Total Shareholder Return (TSR*2) over Five Years*3

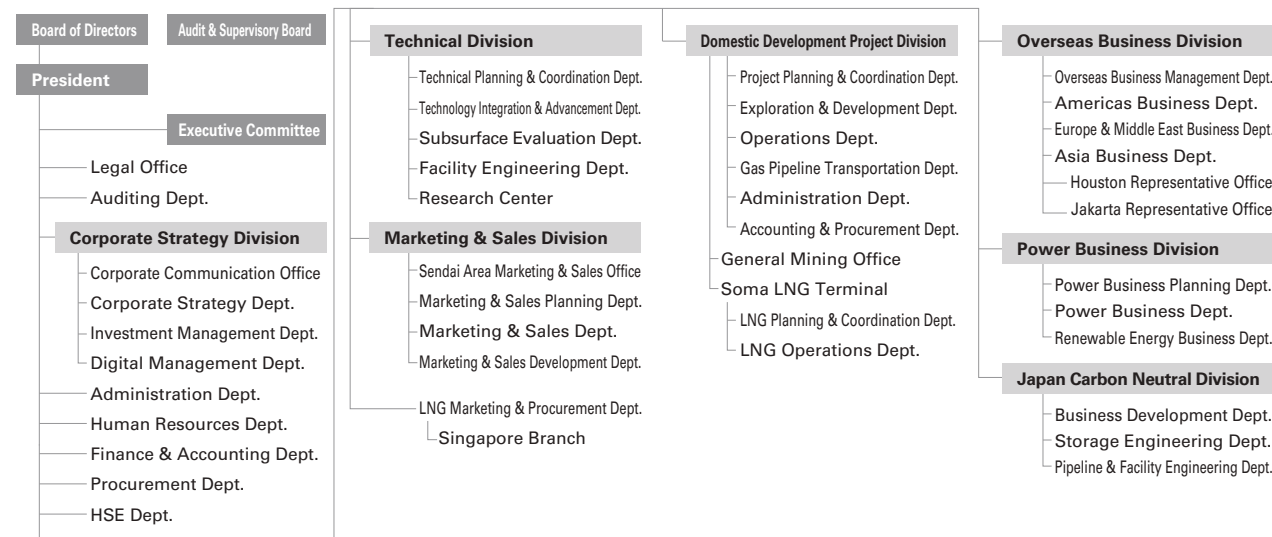


(Comparative index: TOPIX (mining industry) Total Return Index by industry)

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

*3 The year-end value from fiscal 2021 onward if invested at the final price as of March 31, 2021.

● Organization (As of July 1, 2026)



● Group Companies

Major Consolidated Subsidiaries

Company name	Share capital or capital contribution (Millions of yen)		Principal 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	246,413	Exploration, development, and production of petroleum resources in the United States	100.00	
Peoria Resources, LLC* ^{1, 3}	thousand USD	800,000	Exploration, development, and production of petroleum resources in the United States	99.88	(99.88)
Verdad Resources Intermediate Holdings LLC* ^{1, 3}	thousand USD	1,031,632	Exploration, development, and production of petroleum resources in the United States	99.88	(99.88)
JAPEX Norge AS	thousand NOK	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.* ³		49	Conduct of contracted geophysical exploration work and sale of geophysical exploration equipment	57.82	(57.82)
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 or capital contribution (Millions of yen)		Principal 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.* ⁴		22,592	Exploration, development, and production of petroleum resources on Sakhalin Island and its land shelf in the Russian Federation	15.29	
Abashiri Biomass Power 2 LLC		1,297	Biomass power generation business using domestic wood chips	33.80	
Abashiri Biomass Power 3 LLC		1,238	Biomass power generation business using domestic wood chips	33.80	
Silent partnership operated by Ozu Biomass Power Co., Ltd.* ²		21,349	Biomass power generation business using wood pellets	—	[28.28]
Gulf Coast LNG Holdings LLC* ^{3, 4}		—	Participation in the Freeport LNG Project in Texas, U.S.A.	15.00	(15.00)
Blue Spruce Operating LLC* ³	thousand USD	66,315	Consideration of separation and capture of CO ₂ and sale of natural gas and helium in Wyoming, U.S.A.	40.00	(40.00)
EMP Gebang Ltd.	USD	16	Exploration, development, and production of petroleum resources in the northern coast of Sumatra, Republic of Indonesia	50.00	

Exploration, development, and production of petroleum resources in the northern coast of Sumatra, Republic of Indonesia

*1 The company is a specified subsidiary.

*2 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.

*3 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.

*4 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%.

Glossary

Term	Description
boe/d	Abbreviation of Barrels of Oil Equivalent per day.
Carbon-Offset LNG	Liquified natural gas that is deemed to generate zero CO ₂ in use on a global scale by offsetting GHGs generated in the process, from extraction to combustion of natural gas, with CO ₂ credits created through environmental conservation projects (carbon offset).
CCS	Abbreviation of Carbon dioxide Capture and Storage. A technology that captures emitted CO ₂ and stores it underground.
CCUS	Abbreviation of Carbon dioxide Capture, Utilization, and Storage. A technology that separates and captures CO ₂ from large amounts of gas emitted from industrial facilities, effectively utilizing the CO ₂ for enhanced oil recovery, etc., before injecting and storing it in stable underground geological layers. The term CCUS is used to include CCS, but the term "CCS" may be used when using "CCS" as a proper noun or in cases where it does not include the effective utilization of CO ₂ .
CN	Abbreviation of Carbon Neutral A general term for businesses that aim to reduce GHG emissions, mainly through the design/testing of CCUS facilities and the promotion of low-carbon operations.
E&P	Abbreviation of Exploration & Production. A business involving the exploration, development, and production of oil and natural gas.
GHG	Abbreviation of Greenhouse Gas.
GHG emission intensity	CO ₂ emissions (ton-CO ₂) per 1 terajoule (TJ) of energy supplied by JAPEX.

Term	Description
HSE	Abbreviation of Health, Safety, and Environment. It refers to occupational health, safety, and the environment.
HSSE	This term incorporates the "S" for Security into HSE to address crisis management. It refers to occupational health, safety, the environment, and overseas security.
I/U	Abbreviation of Infrastructure & Utility, A business involving the stable supply of energy through large-scale facilities and various methods, such as receiving, storing, and vaporizing (regasifying) liquid natural gas (LNG), transporting it via pipeline, and using it for a natural gas power plant.
Non-operator	A contractual term used in the E&P business via collaboration between multiple partners. It refers to a party other than the operator.
Operator	A contractual term used in the E&P business via collaboration between multiple partners. The operator is commissioned by other parties to handle and manage actual operations.
Scope 1 Scope 2 Scope 3	The scope of calculation of GHG emissions is set based on the GHG Protocol's operational control approach. Supply chain emissions (Scope 1, Scope 2, and Scope 3) are defined as follows: Scope 1: Direct GHG emissions occurring from sources that are owned or controlled by the company Scope 2: Indirect emissions from the consumption of electricity, steam, heat, and cooling purchased by the company Scope 3: All indirect emissions that occur in the value chain of the company
Tight oil and gas	Crude oil and natural gas trapped in geological layers with low porosity and permeability. These resources are developed by means of fracturing with horizontal wells.



Inquiries:

Japan Petroleum Exploration Co., Ltd.

Corporate Strategy Division

Corporate Communication Office

TEL: +81-3-6268-7111

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