



Validation and Verification Report (Surveillance) on Calculation and Operation System of Carbon Neutral Natural gas / LNG

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1. Validation and Verification Target

We, SOCOTEC Certification Japan (hereafter "SOCOTEC"), have performed the validation and verification (Surveillance) on the "Calculation and Operation System of Carbon neutral natural gas/LNG" (hereafter "CN-Natural gas / LNG Calculation and Operation System") in order to provide an opinion as to whether Carbon Neutral Natural gas / LNG (hereafter "CN-Natural gas / LNG") are properly calculated and operated based on the "Operational rule for the supply of the carbon off-set natural gas / LNG Ver.9" (hereafter "Operational rule") developed by Japan Petroleum Exploration Co., Ltd. (hereafter "Company") and whether the GHG emissions of "CN-Natural gas / LNG" in FY 2023 (period: 1 April 2023 to 31 March 2024) (hereafter "FY2023 GHG emissions of "CN-Natural gas / LNG"") have been properly calculated based on "Operational rule".

The purpose of the validation and verification are to objectively assess the validity of CN-Natural gas / LNG Operation and Management system and to further enhance the reliability of the calculated CN-Natural gas / LNG.

2. Validation and Verification Summary

SOCOTEC has performed the validation and verification based on the procedures of SOCOTEC that reference to "JIS Q 14064-3:2023 (ISO14064-3:2019) Specification with guidance for the verification and validation of greenhouse gas statements" requirements with reference to the "Guidelines for Carbon Neutral LNG/City Gas Management Processes (Japan Gas Association)" and the "Operational rule" and the "Specification for the demonstration of carbon neutrality" (PAS 2060:2014). The scope of validation and verification covers the LC (Life Cycle) CO₂ emissions per unit sales volume of Natural gas / LNG, the amount of carbon credits used to offset LCCO₂ emissions and the calculation and operation system of CN-Natural gas / LNG to be sold. LCCO₂ emissions refer to the amount of CO₂ emissions across the entire LNG supply chain from upstream production to combustion. The level of assurance is "limited assurance", and the quantitative criterion of materiality is set at 5% each of "total expected emissions", "the amount of carbon credits used to offset LCCO₂ emissions" and "the amount of CN-Natural gas / LNG sales".

In the validation and verification procedures, we have reviewed the calculation boundaries and the calculation structure of LCCO₂ emissions of CN-Natural gas / LNG in the "Operational rule" at headquarters of the Company, and have confirmed that the LCCO₂ emissions of the Natural gas / LNG for selling, the amount of carbon credits used to offset LCCO₂ emissions for CN-Natural gas / LNG and the amount of CN-Natural gas / LNG are appropriately calculated and operated in accordance with the "Guidelines for Carbon Neutral LNG/City Gas Management Processes (Japan Gas Association)" and the "Operational rule", and that "FY2023 GHG emissions of "CN-Natural gas / LNG" have been properly calculated and the carbon neutralization procedure has been properly operational and calculated.

3. Our Conclusion

On the basis of "Operational rule" established by the Company, and the "Guidelines for Carbon Neutral LNG/City Gas Management Processes (Japan Gas Association)", we are not aware of any instances where the LCCO₂ emissions of the Natural gas / LNG for selling, the amount of carbon credits used to offset LCCO₂ emissions for CN-Natural gas / LNG and the amount of CN-Natural gas / LNG were not appropriately calculated and operated, and where "FY2023 GHG emissions of "CN-Natural gas / LNG" have not been properly calculated and the carbon neutralization procedure has not been properly operational.

<Validation period: June 30, 2024 - June 29, 2025, Verification period: April 1, 2023 - March 31, 2024 >

4. Points to Note

The Company assumes responsibility for the "CN-Natural gas / LNG Calculation and Operation System", whereas the responsibility for this validation and verification rests with SOCOTEC. There are no specific interests between the Company and SOCOTEC.

SOCOTEC Certification Japan

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