



Note: The following is an English translation of the Japanese-language original

September 27, 2019

Japan Petroleum Exploration Co., Ltd.
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Establishment of New Organization Concerning Overseas LNG Procurement and Marketing

Japan Petroleum Exploration Co., Ltd. (JAPEX) will establish new organization “LNG Marketing & Procurement Dept.” for further promotion of global LNG (Liquefied Natural Gas) trading on October 1, 2019, to enhance our LNG procurement capability, taking LNG marketing in overseas into consideration.

Domestic demand for natural gas is expected to continue at a steady rate, since it is cleanest among fossil fuels. And, LNG, in addition to domestically produced natural gas, is a necessity to continue stable supply for our clients such as city gas companies and industrial users. Furthermore, securing the specific amount of LNG will be required as the fuel for the electricity which we need, once the commercial commencement of Fukushima Natural Gas Power Plant ^{(*)1} in 2020. Since our transaction volume of LNG will increase from now on due to these factors, to strengthen the organization aiming for further flexible and competitive LNG procurement has been under consideration.

From these kinds of circumstance, we decided to establish the new independent department, which global LNG trading function will be divided from Marketing & Sales Division which currently conducts overall LNG trading business and administration in Japan and overseas.

LNG Marketing & Procurement Dept. will promote to procure and import of LNG globally, demanded for our domestic natural gas supply business and natural gas-fired power generation business. This department will also engage information gathering in the view of the business expansion concerning global LNG trading, particularly in LNG global sales. Domestic LNG supply and sales function and related procedures will continue to be conducted by Marketing & Sales Division.

Along with this, Singapore Representative Office will change to a subordinate of LNG Marketing & Procurement Dept. from under Marketing & Sales Division on October 1, 2019. Besides, Singapore Representative Office will proceed to change from a representative office to a formal base for the commercial activities ^{(*)2}.

JAPEX will continuously promote “Growth to the Integrated Energy Company Centered on Our Oil and Gas E&P ^{(*)3}” by stable domestic natural gas supply and power generation business, and also improve our corporate value.

Note)

*1: Please refer an announcement "Decision on Commercialization of Natural Gas-Fired Power Generation Project at Soma Port in Fukushima Prefecture and Participation of New Business Partners in the Project," released on October 11, 2016

(https://www.japex.co.jp/english/newsrelease/pdfdocs/JAPEX20161011_FGP_Commercialization_e.pdf)

*2: At the date of this press release, a representative office registered in Singapore based on the rule of IE Singapore (Current Official Name: Japan Petroleum Exploration Co., Ltd. Representative Office Registered In Singapore)

*3: Oil and Gas E&P means “exploration, development and production of oil and natural gas”

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