



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

October 8, 2021

Japan Petroleum Exploration Co., Ltd.

JAPEX Received the First Carbon-Neutral LNG

Japan Petroleum Exploration Co., Ltd. (JAPEX) received the first carbon-neutral liquefied natural gas (LNG) cargo at Soma LNG Terminal (No.4 wharf of Soma Port, Shinchi Town, Fukushima Prefecture) on October 7, 2021.

Carbon-neutral LNG is an LNG, which the greenhouse gases (GHG) emitted during the process from production to combustion of natural gas, are offset by CO₂ reduced or absorbed by other means, using credits* certified by a certification entities. Toward the realization of carbon-neutrality in 2050 and CO₂ net-zero society, its demand is growing worldwide as one of the options to reduce GHG emissions.

The received carbon-neutral LNG cargo is carbon offset by CO₂ credit, which we purchased from Diamond Gas International PTE. Ltd., a 100% subsidiary of Mitsubishi Corporation. We have procured this carbon-neutral LNG aiming to respond to our clients' request. As of October 7, 2021, we have six expecting clients of city gas companies to distribute it.

JAPEX will consider not only procuring carbon-neutral LNGs, but also distributing natural gas produced in Japan as well as LNG procured from overseas with CO₂ credits purchased by ourselves.

JAPEX unveiled "JAPEX 2050" in May 2021 to set forth JAPEX's direction towards a carbon-neutral society in 2050. In "JAPEX 2050," reducing GHG emissions in the society, including our supply chain, is shown as our aiming initiative. Through our efforts, including carbon-neutral LNG and natural gas sales, JAPEX will contribute to the realization of a carbon-neutral society and continue to aim for growth as a comprehensive energy company and improving corporate value.

[Our expected clients to distribute carbon-neutral LNG (as of October 8, 2021: alphabetical order)]

- ECHIGO NATURAL GAS LTD.
- Ojiya City
- Obihiro Gas Co.,Ltd.
- SHIBATA GAS
- SHIRONE GAS Co., Ltd.
- Tomakomai gas co.,ltd.

Note) * Credit is a quantified the amount of GHG reduction or absorption, in accordance with a specified method, for a tradable form. Credits regarding CO₂ includes VCS (Verified Carbon Standard), which is certified by private certification entities, J-credits which is certified by the Japanese government, and CDM credit which shared between developed countries and emerging countries, for the efforts of reduction made by developed countries in emerging countries.

<Reference>



The LNG carrier Diamond Gas Crystal at Soma Port

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