



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

April 22, 2026

Company Name: Japan Petroleum Exploration Co., Ltd. (JAPEX)  
Securities Code: 1662 (Prime Market of the Tokyo Stock Exchange)  
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## **Formulation of the “JAPEX Management Plan 2026-2035”**

Japan Petroleum Exploration Co., Ltd. (JAPEX) announces that it has formulated the “JAPEX Management Plan 2026-2035” (the “Plan”), a medium- to long-term growth strategy for JAPEX that extends through 2035.

Based on the “JAPEX Management Plan 2022–2030” formulated in March 2022, JAPEX has been working to strengthen profitability and to build a business foundation with a view to growth 2030 and beyond. As a result, JAPEX has achieved certain results, such as increased profits from continuous investment in U.S. tight oil development and an achievement of profit targets for non-E&P <sup>(\*)1</sup> field with the progress of building assets such as renewable energy and overseas LNG supply infrastructure. However, from the perspective of building business assets that contribute to sustainable growth, the goal has not been fully achieved.

Meanwhile, in the global energy landscape, while decarbonization targets remain in place, the importance of stable supply of energy is being reaffirmed, and a more realistic transition is being sought. Furthermore, capital markets are placing even stronger demands on “management that is mindful of the cost of capital.”

In light of our current situation and changes in the external environment, JAPEX has determined that a new management plan is essential to build a resilient portfolio and strengthen our execution capabilities.

The Plan is a new initiative covering ten years from FY 2026 to FY 2035. A period from FY 2026 to FY 2030 is considered as a phase for building “core assets” by focusing on overseas E&P and CCUS <sup>(\*)2</sup>, and a period from FY 2031 to FY 2035 is regarded as a phase when revenue contributions from the “core assets” will begin in full-scale. JAPEX will pursue overseas E&P and CCUS as core revenue drivers and will work on these initiatives - strengthening human capital, transforming organizational culture, and digital transformation - as part of corporate transformation efforts, by which support aforesaid objects.

Please refer to the attached document for details.

(Note)

\*1: Exploration and Production: Exploration, development and production of oil and natural gas.

\*2: Carbon dioxide Capture, Utilization, and Storage.

###



# JAPEX Management Plan 2026–2035

*- Building Core Assets toward 2035 -*

April 22, 2026

Japan Petroleum Exploration Co., Ltd.

(Security Code: 1662)

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# Basic Policy

## Build *Core Assets* and strengthen execution capabilities by focusing on overseas E&P business and CCUS projects

### Definition of Core Assets

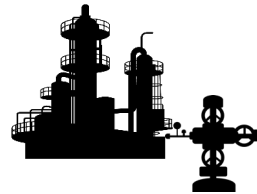
- (1) Assets that generate a profit exceeding the cost of capital
- (2) Assets that possess a business scale significantly exceeding the production decline in domestic E&P
- (3) Assets that contribute to sustainable growth
- (4) Assets that have the potential to add unique value



### Drive overseas E&P as a key pillar

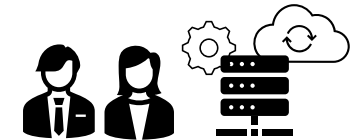
Generate high added-value primarily  
through the operator business

Quadruple production volume by  
FY2035 compared to FY2025



### Monetize CCUS projects

Store a cumulative total of  
at least 8 million tons of CO<sub>2</sub> by  
FY2035



### Transform the corporate structure

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

**FY2026–FY2030**

Phase to build core assets

**FY2031–FY2035**

Core assets fully contributing to earnings  
Toward further growth

FY2026

FY2031: medium-term milestone

FY2035

# Highlights

Building core assets with growth investments of 1.5 trillion yen to become a global company with a net profit of 100+ billion yen

|  | FY2025 (forecast)*1                         | FY2031   | FY2035                                    |
|--|---|--|---|
| <b>Growth investments</b>                      | 514.3 bil. yen<br>(total for FY2022–FY2025) | 900 bil. yen<br>(total for FY2026–FY2031)  | 600 bil. yen<br>(total for FY2032–FY2035) |
|  |   | <b>1,500 bil. yen in total</b>   |   |
| <b>Production volume*2</b>                     | 45,000 boe/d                                | 100,000 boe/d  | 180,000 boe/d                             |
| <b>CO<sub>2</sub> storage volume</b>           | —   | Start storage of<br>1.5–2.0 mil. tons/year<br>(equivalent to annual CO <sub>2</sub> emissions of<br>600–800 thousand households) | Total of <b>8+</b> mil. tons              |
| <b>Profit attributable to owners of parent</b> | 45 bil. yen                                 | 75 bil. yen  | 100 bil. yen                              |
| <b>ROE</b>                                     | 6.7%  | 10% or more  | 12% or more                               |

\*1: Figures are based on our latest earnings forecasts.

\*2: Consolidated subsidiaries include non-controlling interests; the production volume of equity method associates is represented in gross.

# Review of the JAPEX Management Plan 2022–2030

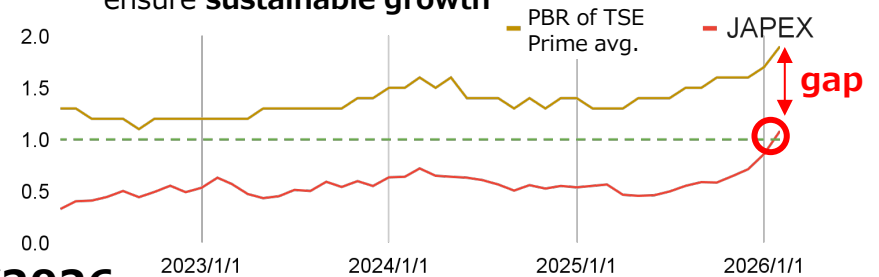
**Achieved medium-term target ahead of schedule, but challenges remain on the sustainability of earnings**

## Early achievement

- ✓ Early achievement of key targets for FY2026 (including profit levels and shareholder returns) supported by oil/gas prices and other tailwinds, in addition to the successful outcome of ongoing investments in U.S. tight oil assets
- ✓ Achievement of the profit expansion target for non-E&P fields with the progress of building non-E&P assets such as renewable energy and overseas LNG export terminals
- ✓ However, the build-up of business assets is behind schedule

## Valuation by the stock market

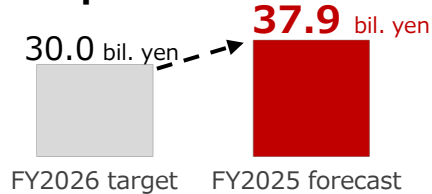
- ✓ PBR trending above 1x, but the gap remains against the TSE Prime average  
→ Recognizing the cause as **skepticism towards** our ability to ensure **sustainable growth**



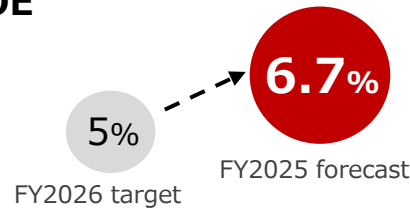
## Progress on key management targets for FY2026

(Medium- to long-term assumptions: JCC oil price of USD50.00/bbl and an exchange rate of JPY110.00/USD. FY2025 forecast: JCC oil price of USD71.36/bbl and an exchange rate of JPY148.25/USD)

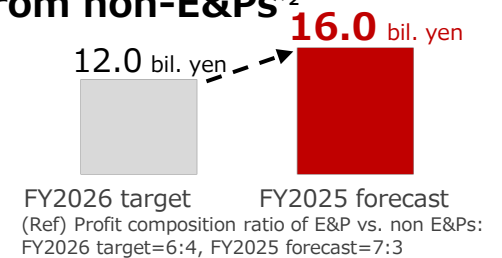
### Business profit\*1



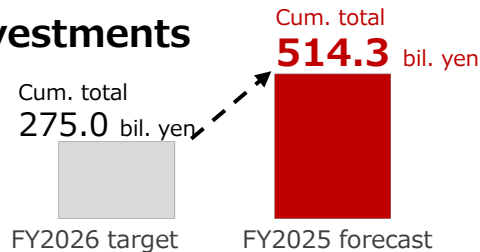
### ROE



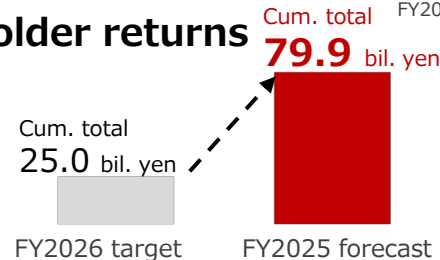
### Profit from non-E&Ps\*2



### Growth investments



### Shareholder returns



\*1: Operating profit + equity in earnings of affiliates and other (including profits to be distributed under limited partnership and silent partnership agreements). \*2: Breakdown does not include corporate expenses.

# Our View on the External Environment

## The need for a realistic transition path toward a carbon-neutral society while ensuring a stable energy supply

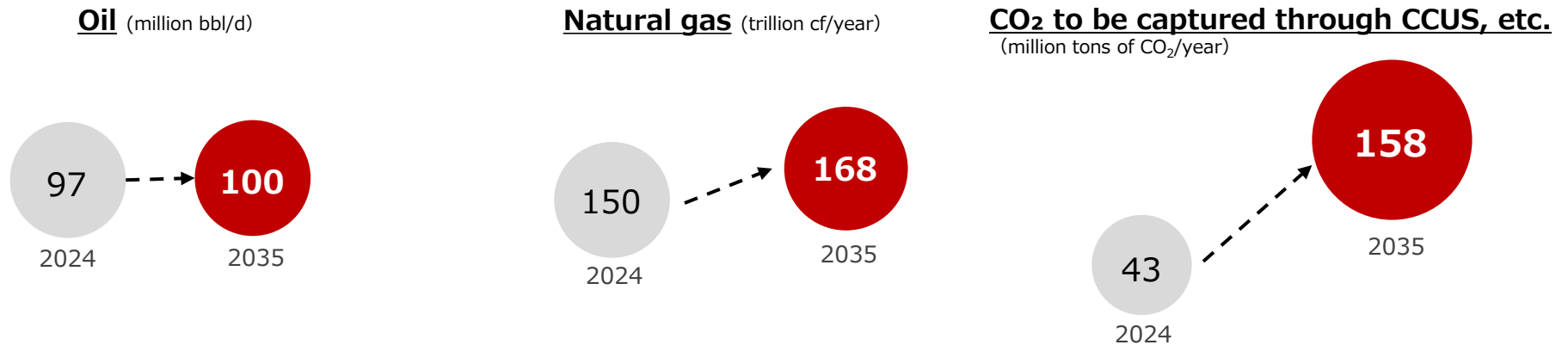
- ✓ Renewed awareness of the importance of energy security and oil/natural gas, due to rising geopolitical risks
- ✓ The goal of net-zero emissions maintained but being fine-tuned to a more pragmatic approach for the transition timing and process
- ✓ Upward trend in oil/natural gas demand backed by economic growth in emerging/developing countries, as well as the expected increase in electricity demand with the spread of AI
- ✓ CCUS adoption anticipated to grow to a certain extent as a key enabling technology for decarbonization

## Rising interest rates and cost of capital

- ✓ Recognizing that the cost of capital is rising due to higher interest rates
- ✓ Considering to evaluate the cost of capital based on the stock price (Price Earnings Ratio) in addition to the conventional method based on CAPM

Ref ▶ Target for the Cost of Capital and Profitability P.12

### Demand outlook for oil, natural gas and CCUS\*



\*: Internally compiled data based on the IEA's "World Energy Outlook 2025 Stated Policies Scenario (STEPS)"

# JAPEX's Strengths

## Comprehensive technical capabilities in E&P



### Our strength

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

### Achievements

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

## Pioneer in domestic CCUS projects



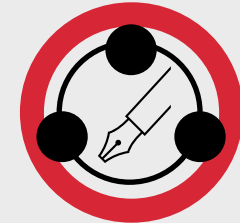
### Our strength

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

### Achievements

- Successful injection of 300,000 tons of CO<sub>2</sub> 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

## Portfolio management



### Our strength

- Rigorous management of portfolio
- Decisive action on portfolio replacement

### Achievements

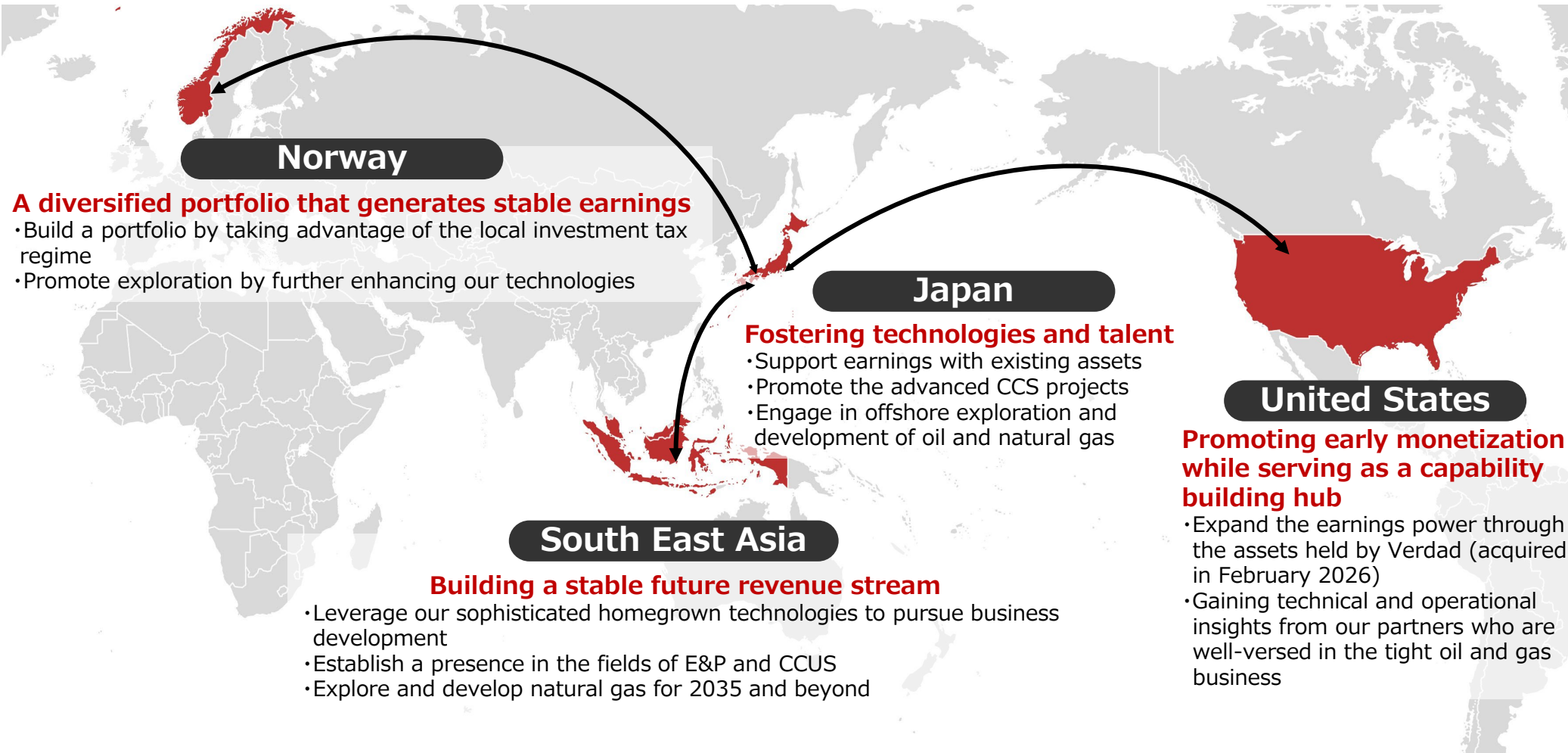
- Divestment of businesses including the E&P subsidiary in the U.K.
- Transfer/acquisition of E&P assets in Indonesia
- Swap of E&P assets in Norway
- Transfer of gas business in Hokkaido

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

# Overview of Our Business Strategy

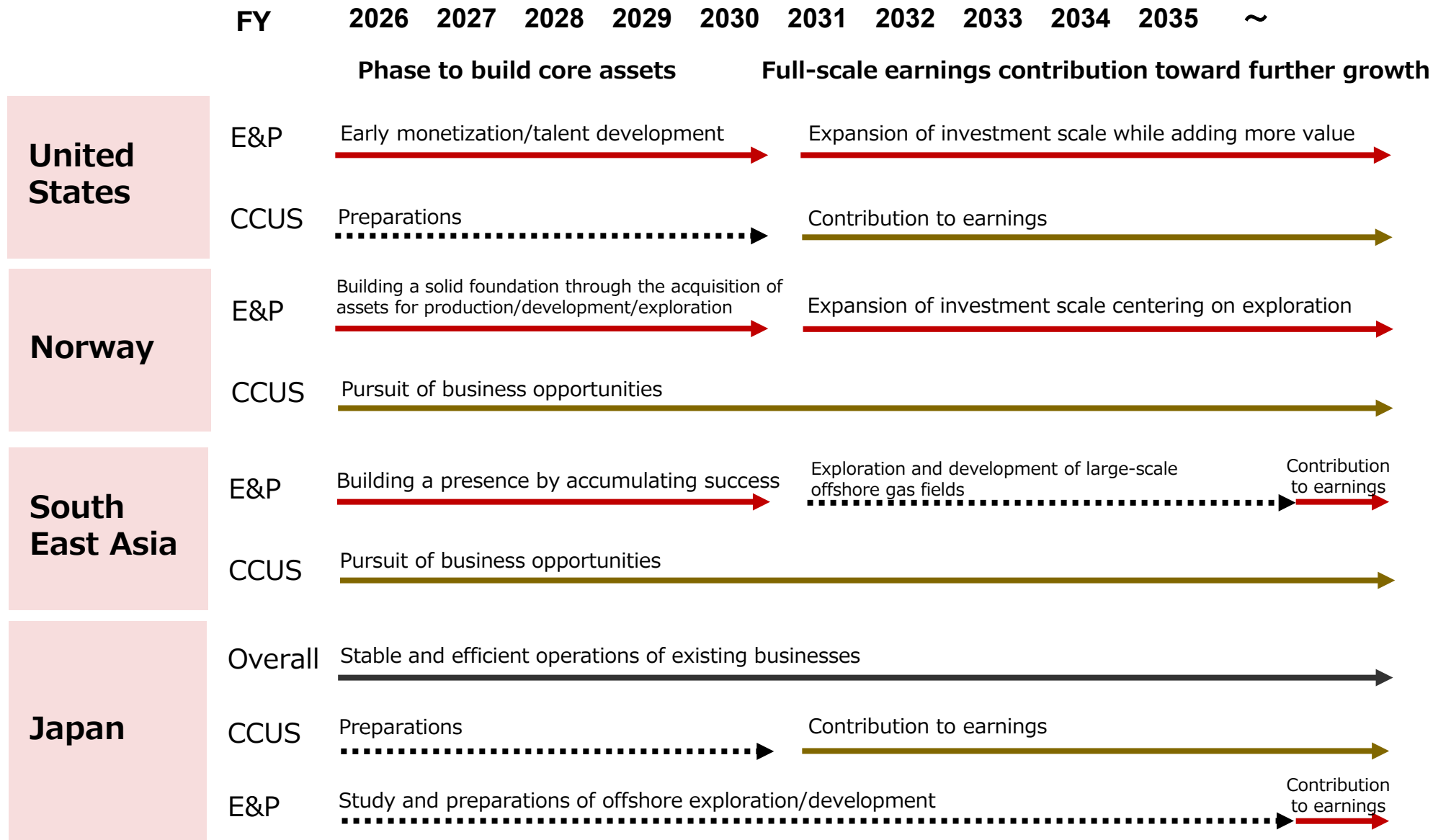
Detailed Strategy by Area ▶ Appendix P.18-21

**Focusing management resources on the four areas where we can leverage our strengths**  
**Building core assets in the four areas to grow earnings while diversifying development timelines and risks**



# Timeline by Area

Detailed Strategy by Area ▶ Appendix P.18-21



# Strengthen Execution Capabilities to Support Transformation

Identified HR, DX, and organizational structure as priority areas for transforming ourselves to achieve the strategy

## Human capital

Ref ▶ Appendix P.27



Secure key personnel



Transform organizational culture

## DX

Ref ▶ Appendix P.28



Optimize the executions of operator business

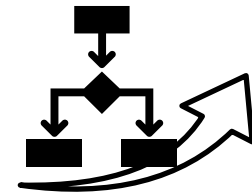


Accelerate decision-making for investment and withdrawal by integrating data more effectively



Free up human resources through BPR\*

## Organization



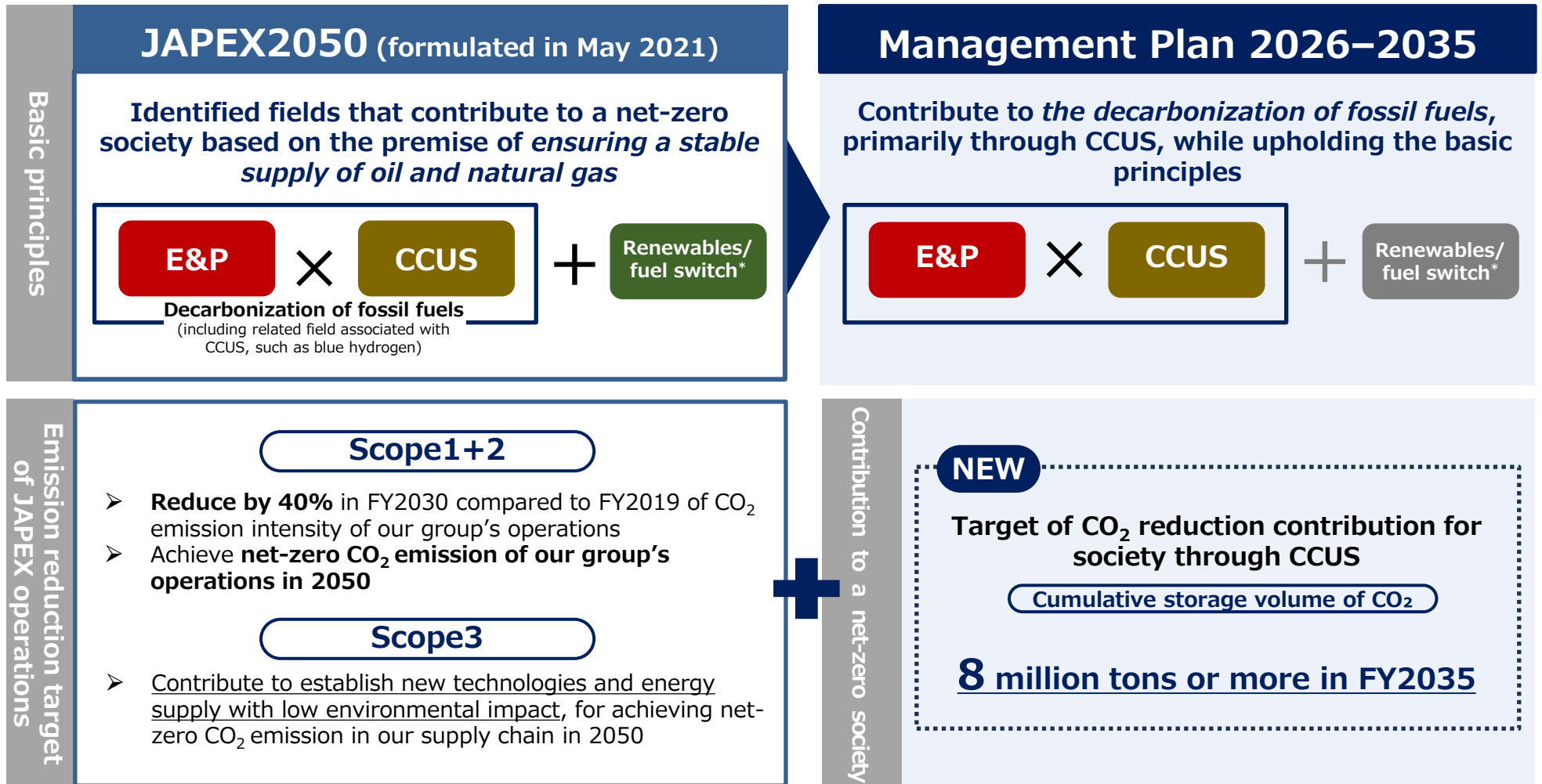
Expedite decision-making through delegation of authority

\* BPR stands for Business Process Re-engineering. It refers to business reform that involves reviewing existing organizational structures, business processes, and systems in order to deliver specific outcome, such as cost reductions, shorter lead times, and improved quality.

# Addressing Climate Change

JAPEX2050 ▶ For details, [click here \(jump to our website\)](#)

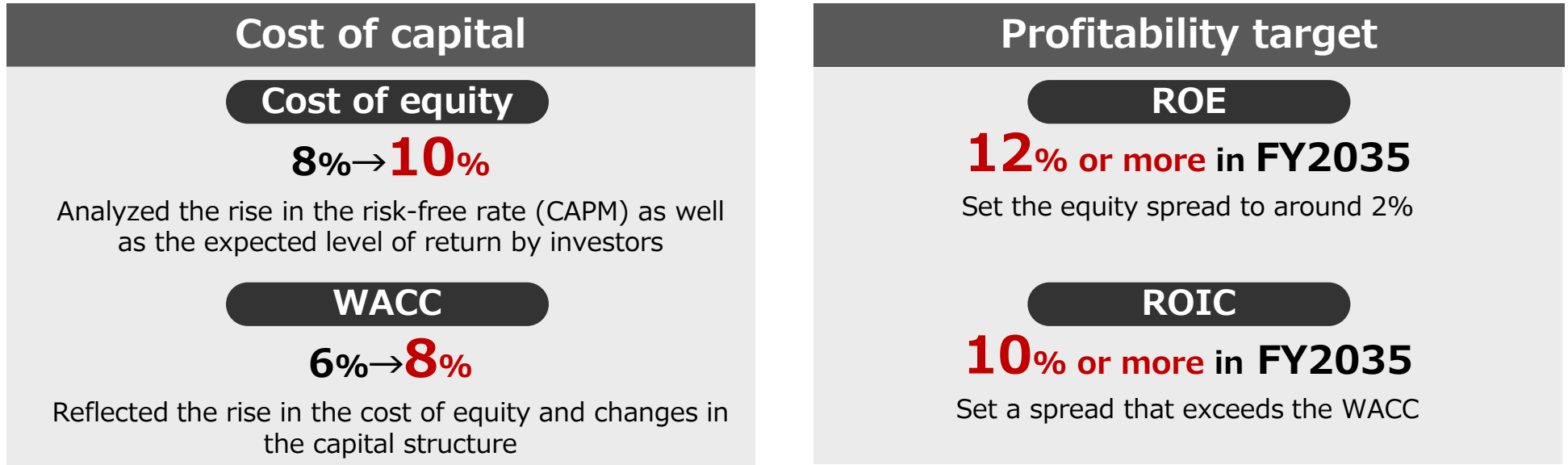
## Setting a new target of CO<sub>2</sub> reduction contribution for society through CCUS, while upholding the basic principles of JAPEX2050



\* Transition from petroleum fuels, which have a high environmental impact, to natural gas

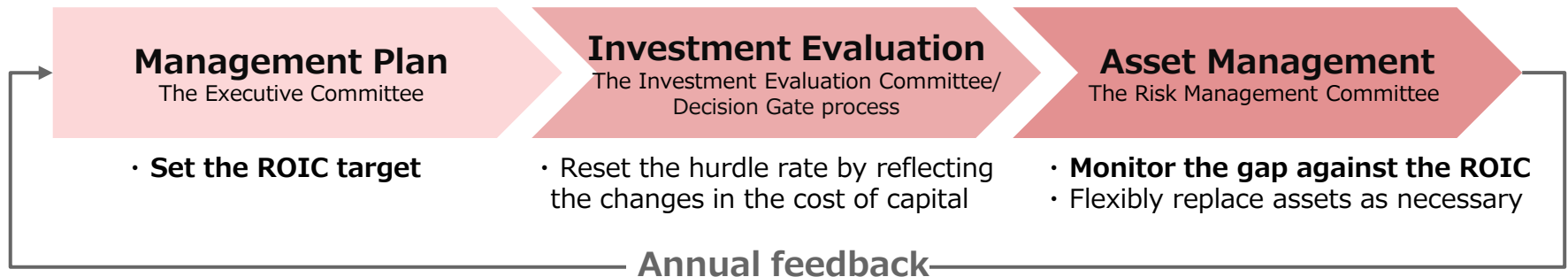
# Target for the Cost of Capital and Profitability

Setting a new ROE target of 12% following a review of the current cost of capital



## Achieve the ROE target by managing the ROIC

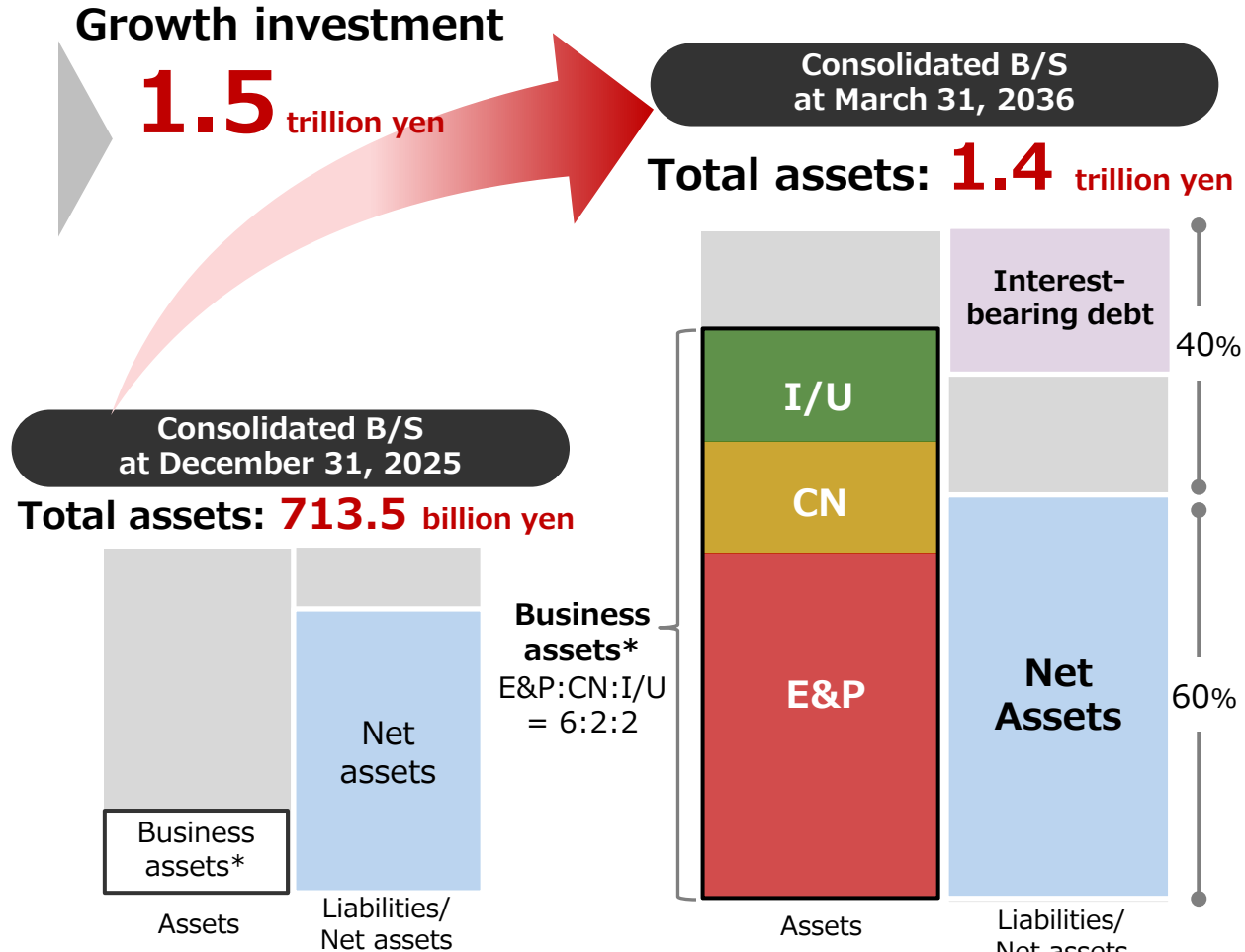
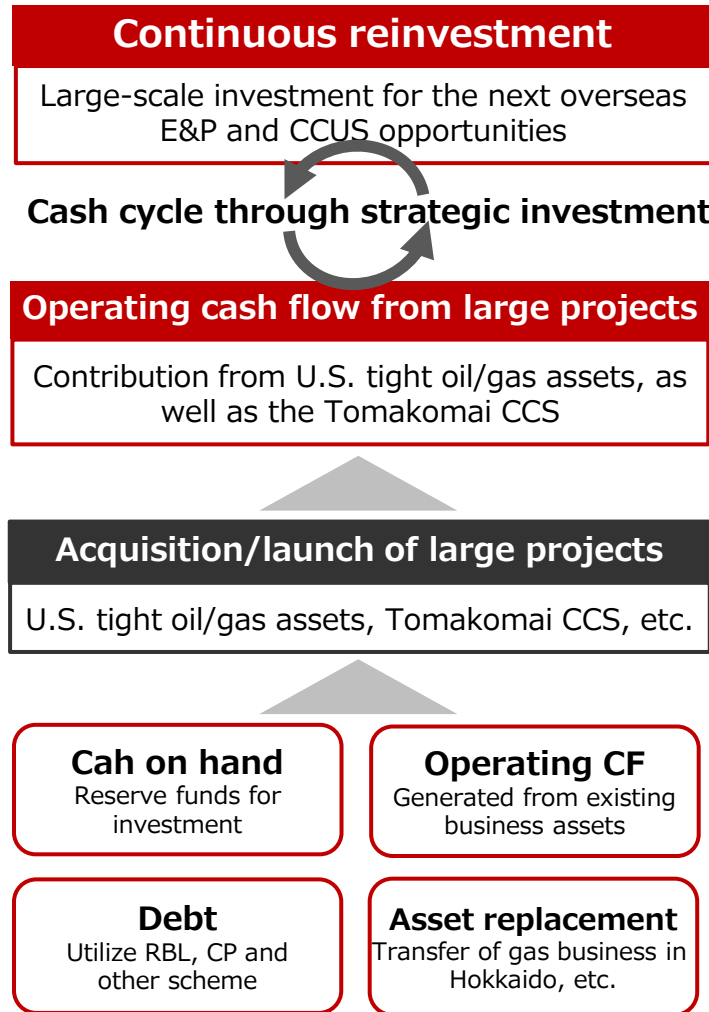
\* **Bold letters** represent the elements newly included in this Plan



# Balance Sheet Growth through a 1.5 Trillion Yen Investment

Supplementary note for financial plan ▶ Appendix P.29,30

## Building up core assets through investments totaling 1.5 trillion yen



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

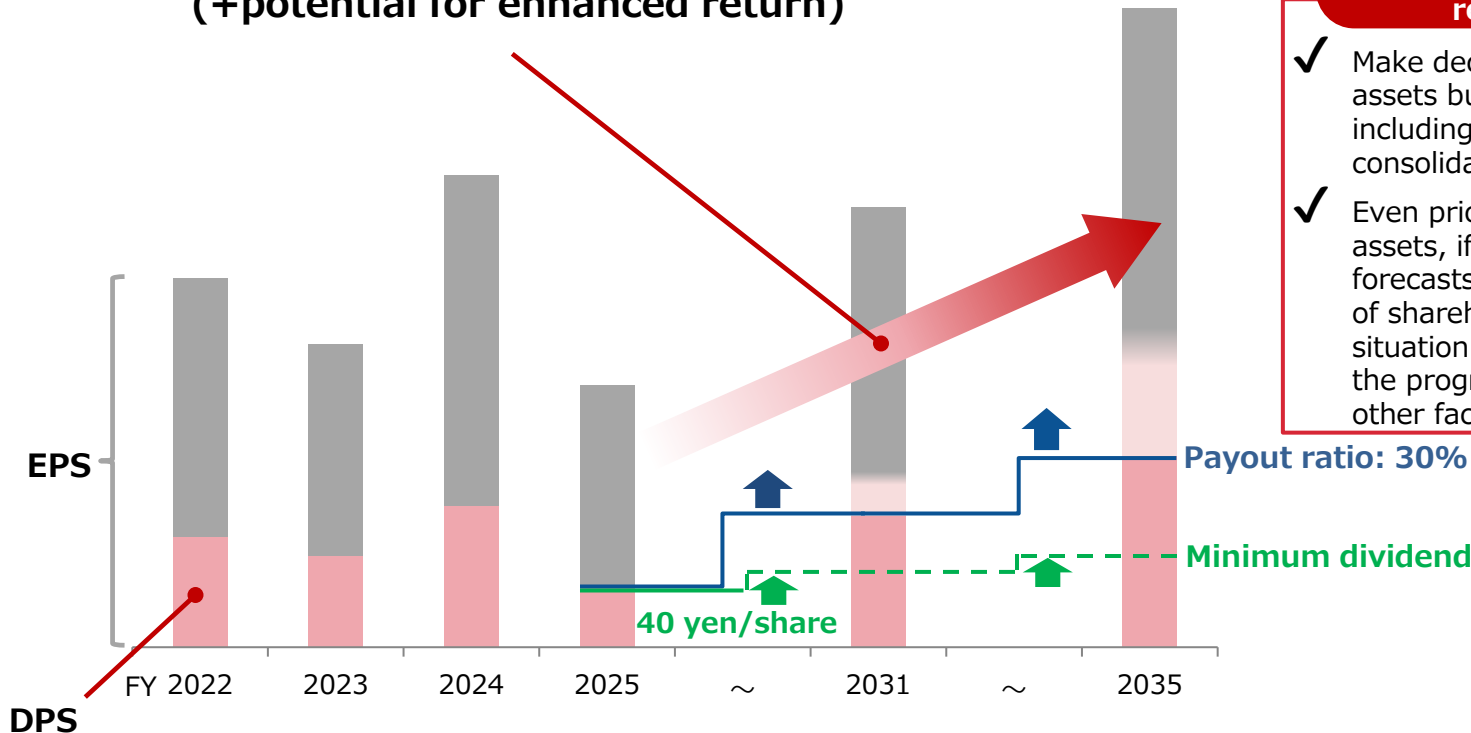
# Shareholder Return Policy

Steadily increase the dividend payouts through profit growth

Will consider ways to further enhance shareholder returns by reviewing the payout ratio and minimum dividend etc., as we expand the sustainable earnings base

## Growth of EPS and DPS (projected)

Increasing payout with steady EPS growth  
(+potential for enhanced return)



### Expected timing for shareholder return enhancement

- ✓ Make decisions upon completion of core assets build-up (at around FY2030), including the possibility of raising the consolidated payout ratio.
- ✓ Even prior to the establishment of core assets, if profits significantly exceed forecasts, we will consider enhancement of shareholder return policy at each situation holistically, taking into account the progress of growth investments and other factors.

EPS: Earnings per share  
DPS: Dividend per share

# Management Plan Targets at a Glance

(billion yen, unless otherwise noted)

|  | FY2031   | FY2035   |
|--|--|--|
| <b>Assumption</b>                                    | Crude oil price: USD70.00/bbl* Exchange rate: JPY140.00/USD  |  |
| <b>ROE</b>   | 10% or more  | 12% or more  |
| <b>ROIC</b>  | 8% or more   | 10% or more  |
| <b>Profit attributable to owners of parent</b>       | 75.0   | 100.0  |
| <b>Business profit after tax</b>                     | 80.0   | 120.0  |
| <b>Business profit by business field (after tax)</b> | Domestic E&P: 10.0<br>Overseas E&P: 40.0<br>CN: 20.0<br>I/U: 20.0<br>Others: (10.0)                | Domestic E&P: 5.0<br>Overseas E&P: 75.0<br>CN: 25.0<br>I/U: 25.0<br>Others: (10.0) |
| <b>Growth investments (total from FY2026)</b>        | 900.0  | 1,500.0  |
| <b>Debt-to-EBITDA ratio</b>                          | 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)"

| <b>Sensitivity</b>     | <b>Assumption</b> | <b>Change</b>         | <b>Profit as of FY2031</b> | <b>Profit as of FY2035</b> |
|------------------------|-------------------|-----------------------|----------------------------|----------------------------|
| <b>Crude oil price</b> | USD70.00/bbl      | USD1/bbl increase     | 2.0                        | 3.0                        |
| <b>Exchange rate</b>   | JPY140.00/USD     | JPY1/USD depreciation | 0.5                        | 1.0                        |

# Appendix

# Comparison with the JAPEX Management Plan 2022–2030

(billion yen, unless otherwise noted)

|   | JAPEX2022–2030              |        | JAPEX2026–2035              |               |
|---|-----------------------------|--------|-----------------------------|---------------|
|   | FY2026                      | FY2030 | FY2031                      | FY2035        |
| <b>Assumptions</b> (oil price and exchange rate)      | USD50.00/bbl; JPY110.00/USD |        | USD70.00/bbl; JPY140.00/USD |               |
| <b>ROE</b>  | 5%                          | 8%     | 10% or more                 | 12% or more   |
| <b>Business Profit</b><br>(JAPEX2026–2035, after tax) | 30.0                        | 50.0   | 80.0                        | 120.0         |
| <b>E&amp;P</b>  | 23.0                        | 27.0   | 50.0                        | 80.0          |
| <b>CN</b>   | 1.0                         | 2.0    | 20.0                        | 25.0          |
| <b>I/U</b>  | 12.0                        | 27.0   | 20.0                        | 25.0          |
| <b>Others</b>   | (6.0)                       | (6.0)  | (10.0)                      | (10.0)        |
| <b>Profit composition ratio</b><br>(E&P:non-E&Ps)     | 6:4                         | 5:5    | 5:5                         | 6:4           |
| <b>Growth investments (cum.)</b>                      | 275.0                       | 450.0  | 900.0                       | 1,500.0       |
| <b>E&amp;P</b>  | 145.0                       | 230.0  | 590.0                       | 1,160.0       |
| <b>CN</b>   | 20.0                        | 50.0   | 270.0                       | 300.0         |
| <b>I/U</b>  | 110.0                       | 170.0  | 40.0                        | 40.0          |
| <b>Shareholder returns (cum.)</b>                     | 25.0                        | 50.0   | 100.0 or more               | 190.0 or more |

## Business Strategy by Area (1)

### United States: Promoting early monetization while serving as a capability building hub

#### Expanding our earnings power by capitalizing on our operator assets in Colorado

### Input

#### JAPEX's expertise accumulated in domestic E&P/CCUS

Apply geomechanics, CCUS and other technologies

#### 10 years' experience of engagement in the U.S. business

Acquired the first U.S. operator assets\*1 in Colorado in February 2026

#### Collaborative partnership

Established Peoria Resources, LLC in 2025 to acquire/manage operator assets with partners\*2 who are well versed in the tight oil and gas business

#### Establish an organizational capacity as an operator

Develop operator capabilities for the tight oil/gas business by learning from our partners

### Value creation

#### Unit cost reduction

Pursue economies of scale by acquiring interests in adjacent blocks; actively embrace cutting-edge technologies

#### Capital recycling

Divest and replace assets at the right time by taking advantage of the highly-liquid M&A market

#### Final investment decision on Dry Piney project\*3

Draw on JAPEX's expertise on E&P and CCUS

### Output

#### Early and substantial contribution to earnings

Stabilize cash flow early by capitalizing on the shorter investment/monetization cycle and pool more funds for investment

#### ROIC comparable to local peers

Merge our expertise with the insights obtained from our partners to proactively generate returns exceeding the cost of capital

#### Human capital

Develop global talent  
Gain knowledge on technologies and operations related to tight oil and gas

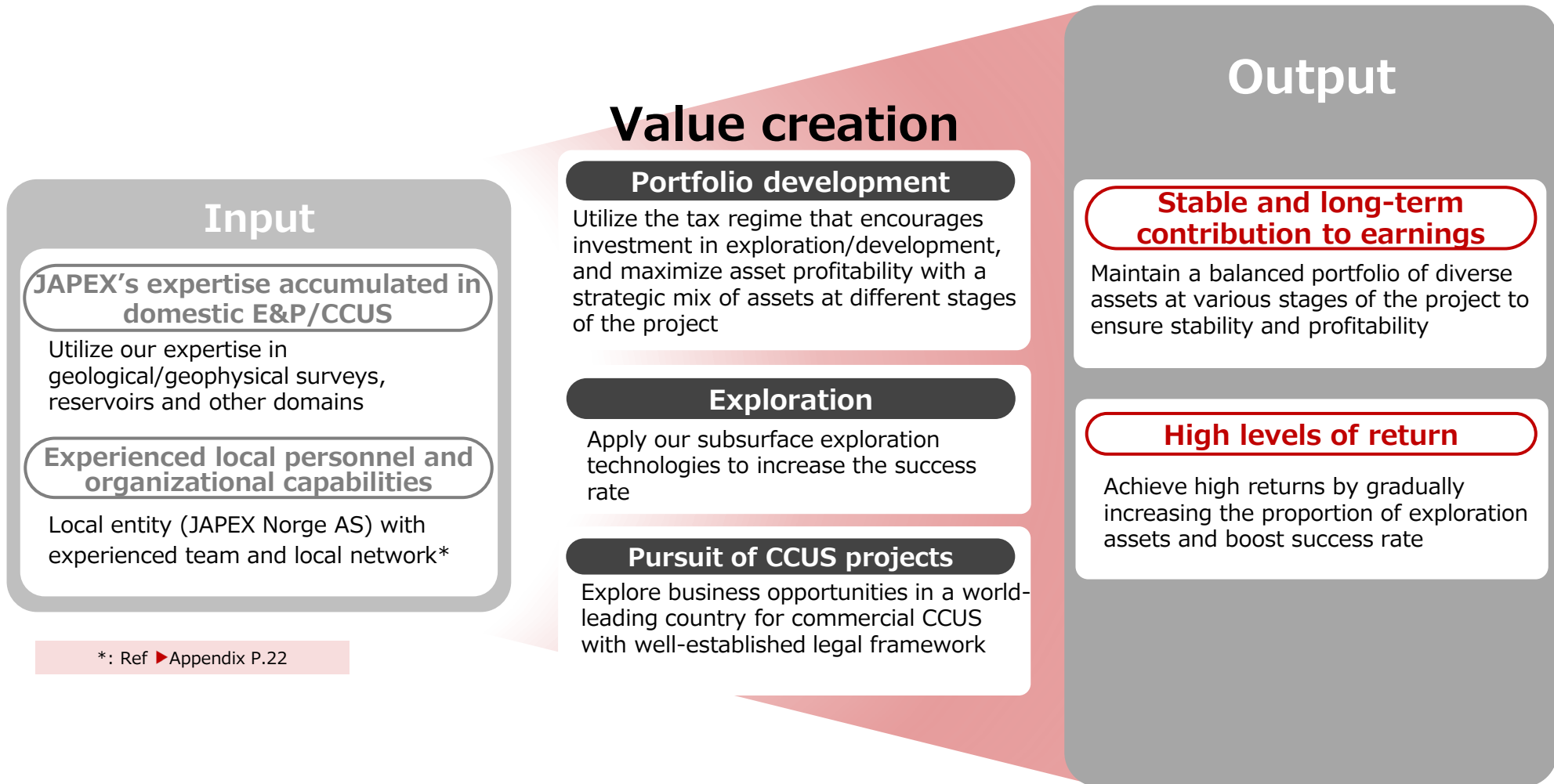
\*1: Ref ▶ Appendix P.23 and 24

\*2: Ref ▶ Appendix P.22

\*3: Ref ▶ Appendix P.26

Building a portfolio for stable earnings through a mix of production, development and exploration

Embarking on exploration where we can leverage our technologies while controlling exposure

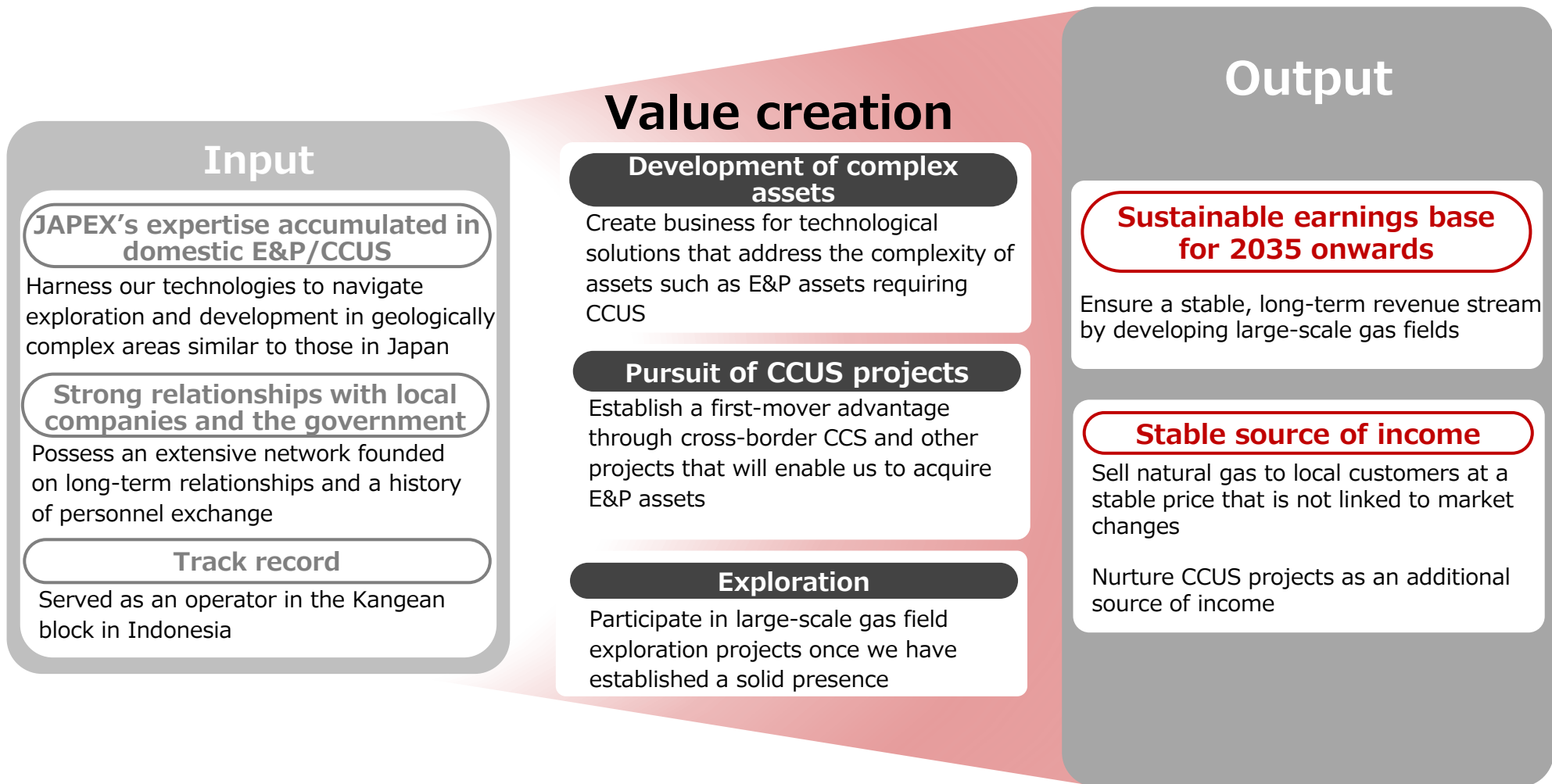


\*: Ref ▶ Appendix P.22

## Business Strategy by Area (3)

### South East Asia: Integrated development of E&P and CCUS

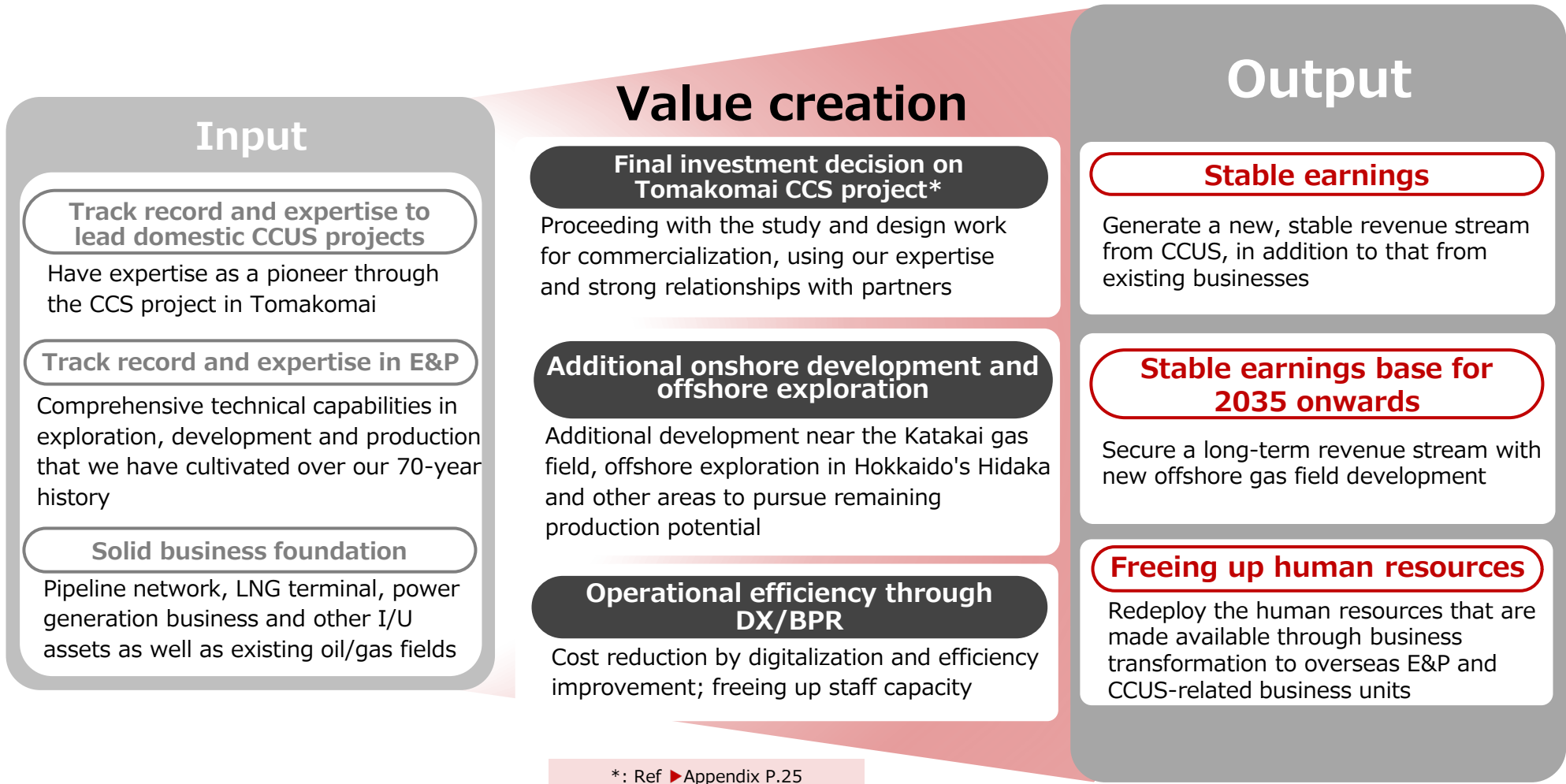
Establishing a presence in E&P and CCUS by leveraging our specialty technologies  
 Securing a foothold for large-scale gas field development projects for 2035 onwards



## 6. Appendix Business Strategy by Area (4)

### Japan: Promoting CCUS projects and pursuing exploration potential

Serving as both a stable earnings base and a place to foster technologies and talent  
Promoting CCUS projects and venturing into offshore exploration



\*: Ref ▶ Appendix P.25

# Professional Talent Underpinning Our Overseas E&P Business

## PEORIA RESOURCES



**Chief Executive Officer (CEO)  
Greg West**

Mr. West is the former CEO of Treadstone with 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.

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



**Chief Technology Officer (CTO)  
David Kita**

Formerly CTO at 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.

## JAPEX 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.

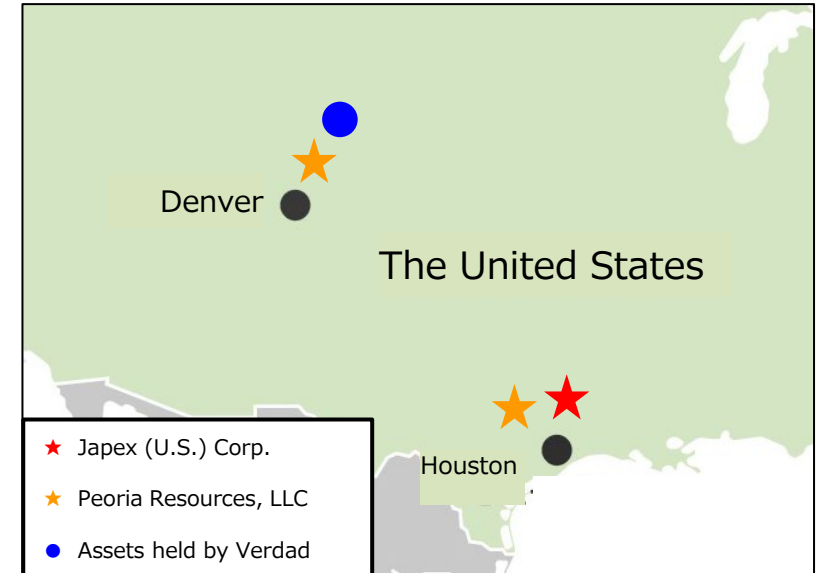
Ms. Salthe has played a pivotal role as the local leader, driving the successful launch and strategic growth of our Norwegian operations and providing strong organizational leadership.

# Acquisition of Tight Oil and Gas Assets Held by Verdad

## Overview of the Assets

We have acquired tight oil and gas assets in the U.S. by purchasing an entire equity interest in Verdad Resources Intermediate Holdings LLC in February 2026, with the aim of establishing a foothold to pursue operator business in the country.

|                                     |  |
|-------------------------------------|--|
| <b>Location</b>                     | Denver-Julesburg Basin (D-J Basin)   |
| <b>Oil-gas production ratio</b>     | Light oil: 49%<br>Natural gas liquids: 24%<br>Natural gas: 27%               |
| <b>Main assets we have acquired</b> | Wells in production: over 1,000<br>Wells planned for development: over 1,000 |
| <b>Interest ratio</b>               | Varying by lease agreement   |
| <b>Sales and transportation</b>     | Selling to wholesale distributors within the U.S.                            |



## Characteristics of the Assets

The assets produce both oil and gas, enabling the generation of relatively stable cash flows through the hedging effect of price fluctuations.

Ample potential for additional development (proven undeveloped reserves)



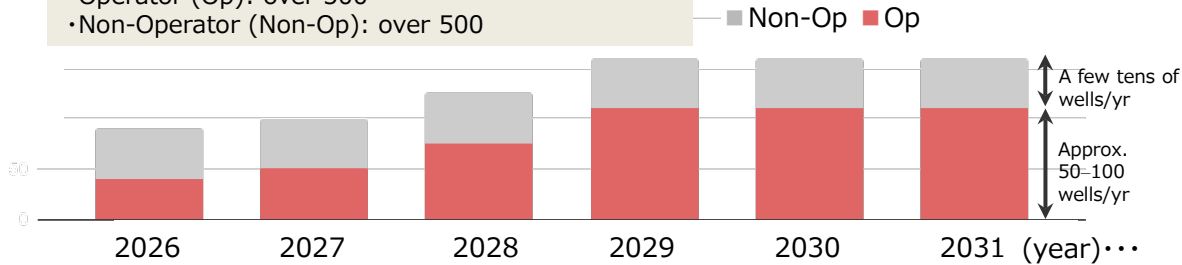
# Supplementary Data on Additional Development in the Verdad Assets

## Additional development (projected)

### Number of wells available (subject to timing and market conditions)

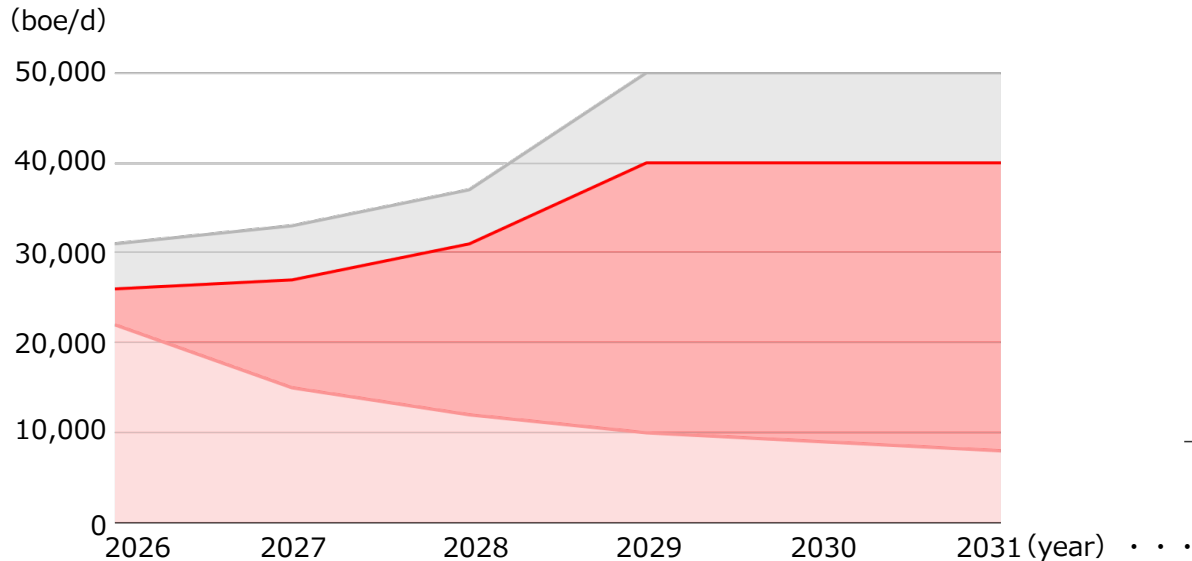
Potential for additional development by well type

- Operator (Op): over 500
- Non-Operator (Non-Op): over 500



### Production volume

- Non-Op (JAPEX estimate)
- Op (additional dev.)
- Op (already developed)



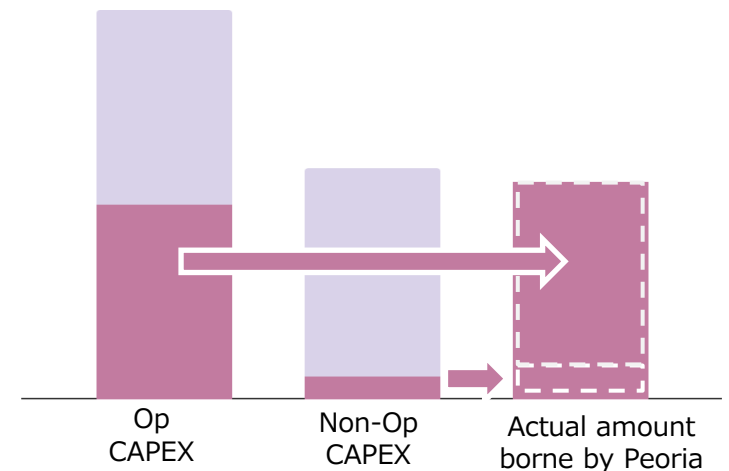
## Well development costs (projected)

Allocation of revenue and expenses among Working Interest (WI) holders in proportion to their respective interests

| WI held by Peoria* |       |
|--------------------|-------|
| Op (average)       | ≅ 50% |
| Non-Op (average)   | ≅ 10% |

\*: varies by lease agreement

■ Paid by partners ■ Paid by Peoria

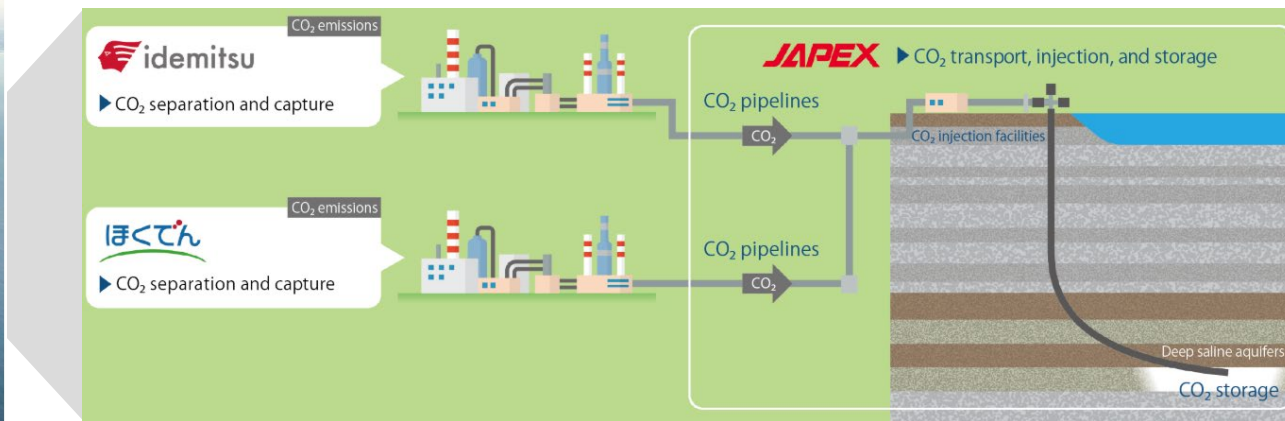


# Tomakomai CCS

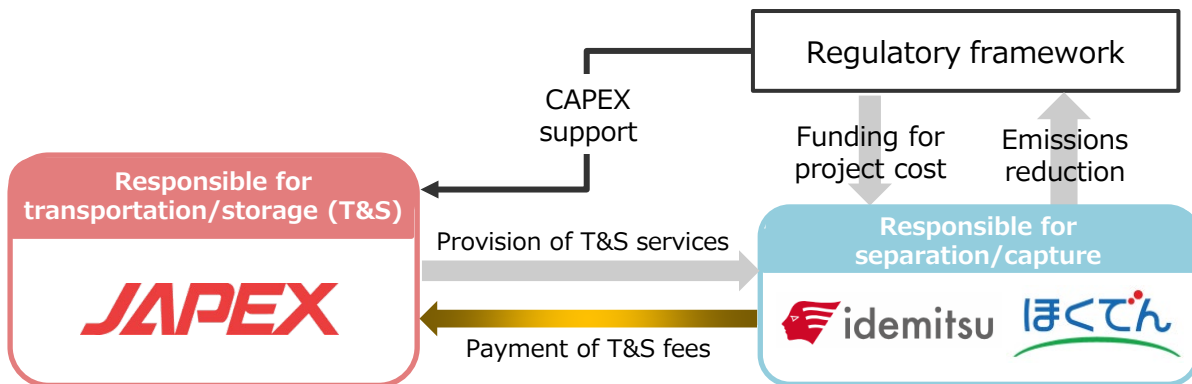
## Overview

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, including CO<sub>2</sub> separation and capture, pipeline transportation, injection and storage, and monitoring.

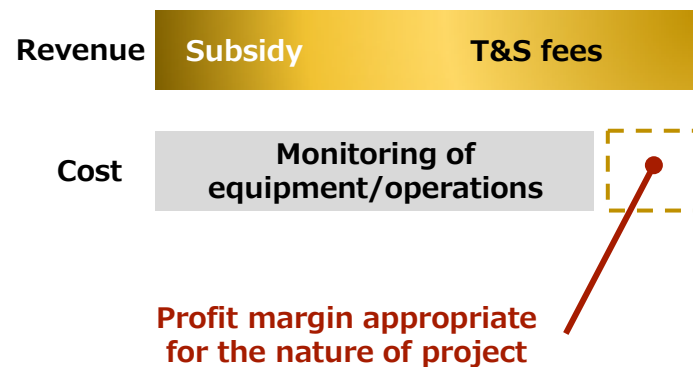
The goal is to start **injecting CO<sub>2</sub> by the end of FY2030** (with a storage capacity of **1.50 to 2.00 million tons/year**).



## Project scheme



## Revenue model of transportation and storage (T&S)



# Dry Piney Project

## Overview of the Assets

This project involves separating natural gas, helium and CO<sub>2</sub> from produced gas which is processed beforehand, selling the natural gas and helium, and applying CCUS to the separated CO<sub>2</sub>.

Our plan is to construct a gas processing plant with a capacity of 400 million cf/d, produce liquid helium (equivalent to around 10% of the global supply), as well as natural gas at a rate of 75 million cf/d. Additionally, we plan to inject a total of 4.5 million tons of CO<sub>2</sub> per annum into underground storage.

|                         |  |
|-------------------------|--|
| Equity participation in | Blue Spruce Operating LLC (BSO)  |
| Effective date          | October 2023   |
| Location                | Dry Piney area, Wyoming, United States (adjacent to a long-lived, stable, low-carbon helium and natural gas production site with a world-scale carbon capture facility, owned by ExxonMobil) |

## Purpose of engagement and progress in development

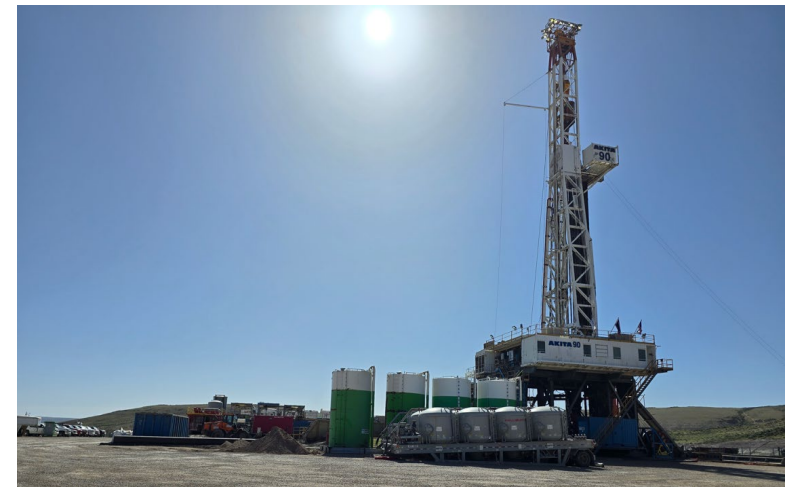
### Purpose

To enhance corporate value by participating in our first overseas commercialization-oriented CCUS project in a systematically advanced country, and by producing natural gas and helium in an environmentally-friendly way

### Status

Under consideration toward a Final Investment Decision (FID):

- conducted Front-End Engineering Design (FEED) for surface equipment
- awarded a state-funded subsidy for project development
- environment assessment completed and permit granted to proceed
- obtained approval for CO<sub>2</sub> injection well operations



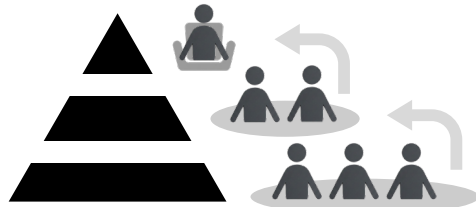
# Human Capital Strategy Aligned with Management Strategy

Optimally manage human capital across the company by securing the personnel required to achieve business strategies

## Secure key personnel

**Systematically develop key personnel**  
who lead the build-up of core assets

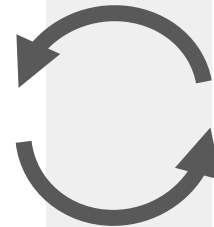
**Develop a talent pipeline** that  
consistently nurtures key personnel



## Transform organizational culture

**Strategically develop the culture**  
by backcasting from the desired state

**Enhance engagement** as a catalyst  
for changes



***A fulfilling workplace with employee well-being*** that forms the foundation for  
human capital management

# Digital Transformation (DX)

Advancing into the value creation phase where we align DX outcomes with business strategies, drawing on the foundation (DX-ready) we have developed

## Achievement to date

### Development of advanced digital talent

- 250 people completed the training (equivalent to about 25% of the non-consolidated headcount)
- Initiated a *grassroots DX* movement for frontline-driven changes; multiple projects now in the implementation phase

### Launched an integrated data infrastructure (nickname: central kitchen)

- Developed a data warehouse to integrate/accumulate operational data and management information scattered across different sites, primarily in Japan, providing an infrastructure for data utilization

### Streamlined domestic back-office processes

- Reduced the workload by streamlining operations and using digital technologies as part of a trial roll out of BPR covering budget process and management planning

## Next steps

### Optimize the executions of operator business

- Optimize operator business by leveraging data through highly skilled digital talent and implementing advanced technologies on-site

### Accelerate decision-making for investment and withdrawal by integrating data more effectively

- Centralize the operational data and management information for overseas sites and CCS projects, enabling portfolio management that flexibly respond to the changes in business environment

### Free up human resources through BPR\*

- Make more human resources available by rolling out BPR for the remaining areas across the company and reallocate them strategically to facilitate the build-up of core assets

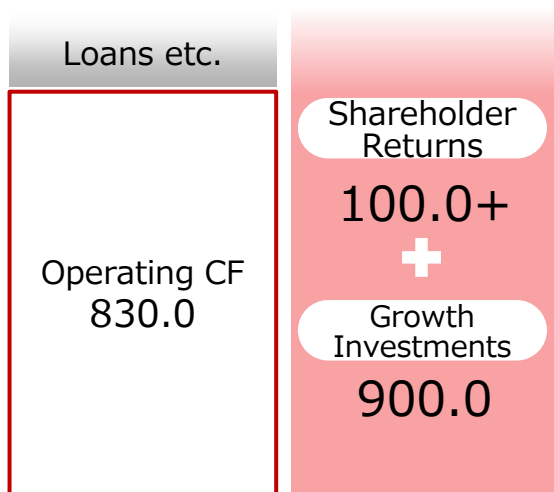
\*: BPR stands for Business Process Re-engineering. It refers to business reform that involves reviewing existing organizational structures, business processes, and systems in order to deliver specific outcome, such as cost reductions, shorter lead times, and improved quality.

# Capital Allocation

(billion yen)

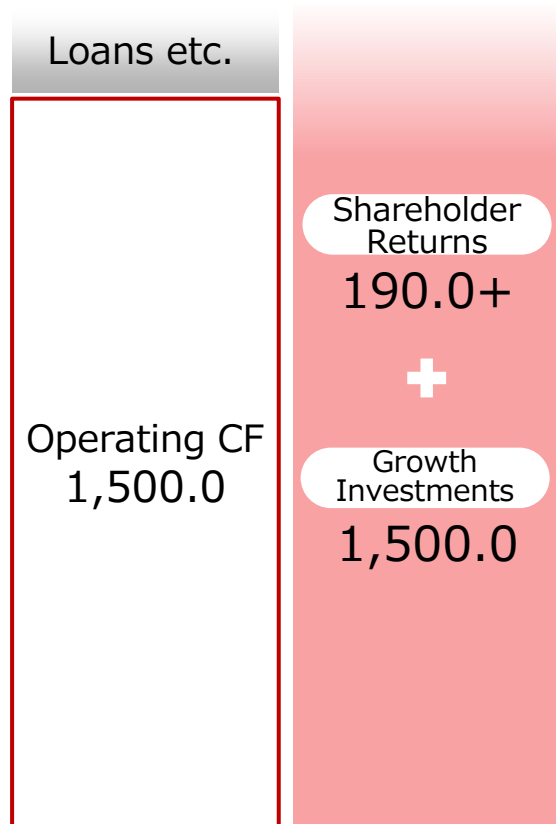
FY2026–FY2031 total

FY2026–FY2035 total

Breakdown of  
growth investments

Cash inflows

Fund allocation



(billion yen)

Cash inflows

Fund allocation

|                            | FY2026-FY2031<br>total | FY2026-FY2035<br>total |
|----------------------------|------------------------|------------------------|
| Japan                      | 50.0                   | 60.0                   |
| Overseas                   | 540.0                  | 1,100.0                |
| <b>E&amp;P</b>             | <b>590.0</b>           | <b>1,160.0</b>         |
| Japan                      | 220.0                  | 240.0                  |
| Overseas                   | 50.0                   | 60.0                   |
| <b>CN</b>                  | <b>270.0</b>           | <b>300.0</b>           |
| Gas                        | 10.0                   | 10.0                   |
| Electricity/<br>Renewables | 30.0                   | 30.0                   |
| <b>I/U</b>                 | <b>40.0</b>            | <b>40.0</b>            |
| <b>Total</b>               | <b>900.0</b>           | <b>1,500.0</b>         |

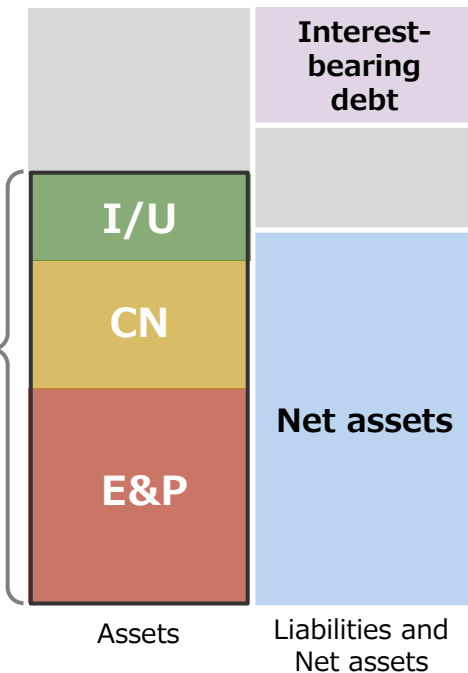
# Balance Sheet at the Milestone Year (Projected)

- ✓ The proportion of business assets\* within the total assets expanding to 1 trillion yen 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

## Transition of the consolidated balance sheet composition

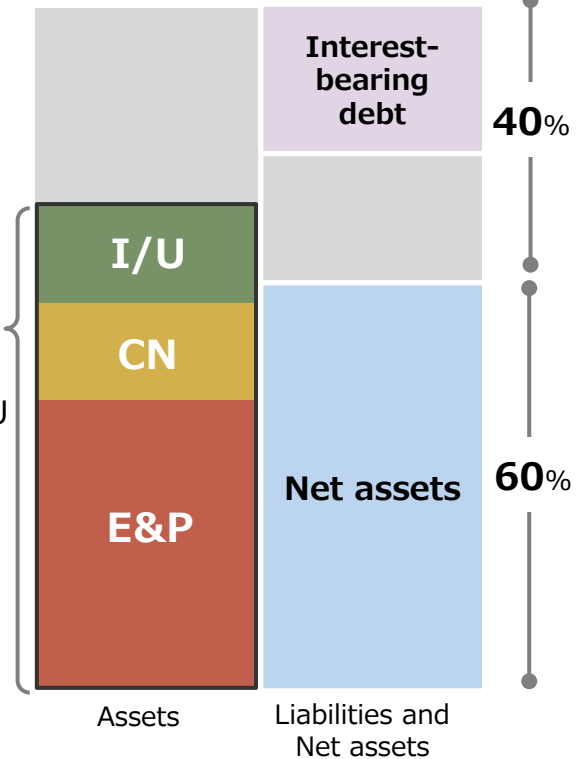
At the end of FY2031

Total assets: **1.2** trillion yen



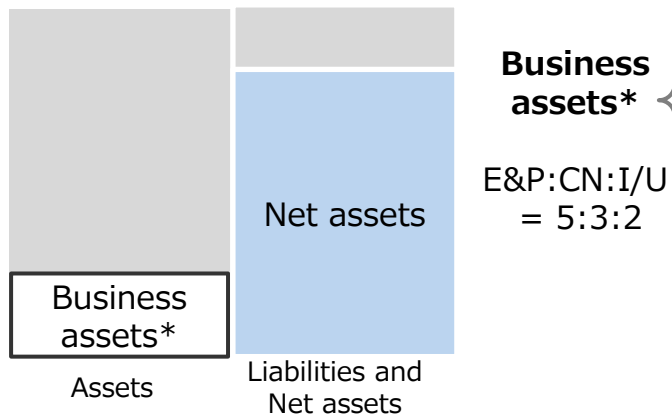
At the end of FY2035

Total assets: **1.4** trillion yen



At the end of December 2025

Total assets: **713.5** billion yen



Business assets\*  
E&P:CN:I/U = 6:2:2


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

# Materiality


We have redefined material issues as “**significant challenges to our growth strategy**”, as opposed to the previous definition of “challenges that should be addressed now, based on their role of connecting the core CSR themes with the Management Plan”. Among those with high financial implications in the Management Plan, we have identified more specific issues centering around the key areas to enhance our corporate value.

Previous definition

**Contributing to society through our business**




Stable energy supply




Establishment of carbon neutral (CN) business

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**Strengthening of management foundation**




Promotion of HR development and diversity




DX

Newly defined materiality

**Key areas to enhance our corporate value**




Building overseas E&P assets




Commercialization of CCUS

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**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**

|                                     | FY2031  | FY2035                 |
|-------------------------------------|---|------------------------|
| Production volume                   | <b>100,000 boe/d</b>  | <b>180,000 boe/d</b>   |
| GHG emissions (Scope1, 2)           | <b>Reduce CO<sub>2</sub> emission intensity by 40% in FY2030 compared to FY2019</b> |                        |
| Cum. CO <sub>2</sub> storage volume | —   | <b>8+ million tons</b> |

**Metrics and Targets**

Develop a strategic talent pipeline aligned with business strategies

Reshape our organizational culture

Accelerate decision-making through advanced data utilization

Optimize operations with cutting-edge digital technologies



# Glossary

|   |  |
|---|--|
| <b>boe/d</b>                              | Barrels of Oil Equivalent per Day  |
| <b>CCUS</b>                               | <p>Abbreviation of Carbon dioxide Capture, Utilization, and Storage. It refers to technologies that separate and capture CO<sub>2</sub> from large amounts of gas emitted from industrial facilities, effectively utilize the CO<sub>2</sub> for enhanced oil recovery etc., before injecting and storing it in stable underground geological layers.</p> <p>The term CCUS is used to include CCS (Carbon dioxide Capture and Storage), a technology that captures emitted CO<sub>2</sub> and stores it underground.</p> <p>Note that when using “CCUS” as a proper noun, the term “CCS” may be used in cases where it does not include the effective utilization of CO<sub>2</sub>.</p> |
| <b>E&amp;P</b>                            | A business involving the exploration, development, and production of oil and natural gas   |
| <b>JCC</b>                                | Japan Crude Cocktail: the average price of crude oil imported by Japan   |
| <b>Infrastructure &amp; Utility (I/U)</b> | A business involving the stable supply of energy through large-scale facilities and various methods, such as receiving, storing and vaporizing (regasifying) LNG (Liquid Natural Gas), transporting it via pipeline or using it for a natural gas power plant.   |
| <b>Operator</b>                           | 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.   |
| <b>Carbon Neutral (CN)</b>                | A general term for businesses that aim to reduce GHG emissions, mainly through the design/testing of CCUS and the promotion of low-carbon operations   |
| <b>Tight oil and gas</b>                  | 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.   |
| <b>Non-operator</b>                       | A contractual term used in the E&P business via collaboration between multiple partners. It refers to a party other than the operator.   |
| <b>Emission intensity</b>                 | The amount of carbon dioxide emissions (t-CO <sub>2</sub> ) per 1 terajoule of energy supplied by JAPEX  |
| <b>Blue hydrogen</b>                      | Hydrogen produced using fossil fuel. By capturing and storing the carbon dioxide generated during the production process, emissions to the atmosphere are significantly reduced.   |

# Cautionary Statement

This document contains future outlooks such as plans, forecasts, strategies, and others which are not historical facts and these are made by the management's judgement based on the obtainable information at the time of the disclosure. Actual results may significantly differ from those future outlooks due to various factors.

## Uncertainties caused by geopolitical situations

At the time of the finalization and publication of this Plan (from late February to mid-April 2026), the conflict between Iran and the United States/Israel, including the use of force, is ongoing. The safety of shipping in the Strait of Hormuz remains precarious. Depending on the duration of the de facto blockade and the extent of the damage to facilities in surrounding oil- and gas-producing countries, it could have a significant impact on the global economy and our earnings performance. At present, it is extremely difficult to reasonably calculate the impact of these events, and therefore, their impact has not been incorporated into the numerical targets of the Plan. We recognize that our basic policy of actively investing in the E&P business and CCUS projects contributes to energy security in response to rising geopolitical risks and the decarbonization mandate. However, please be aware that, depending on the global economic ramifications of the conflict and any changes in circumstances, we may revise or withdraw this Plan shortly after the announcement.

This document is not intended to solicit investment.

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