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Corporate Governance Report

Last Update: July 9, 2026
Japan Petroleum Exploration Co., Ltd.
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The corporate governance of Japan Petroleum Exploration Co., Ltd. ("JAPEX") is described below.

I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information

1. Basic Views

- Contributing to society through stable energy supply and addressing social issues toward realizing the sustainable development goals is the corporate vision of JAPEX.
- In order to achieve the corporate vision and to maximize our corporate value in a medium- to long-term perspective, the efficient and transparent corporate management and the building of mutual trust relationships with our stakeholders including shareholders through ensuring our accountability are required, and corporate governance is one of our important topics as the foundation. We will enhance our corporate governance by respecting the purpose and spirit of Japan's Corporate Governance Code.

Reasons for Non-compliance with the Principles of the Corporate Governance Code

- JAPEX complies with all the principles of the Corporate Governance Code.

Disclosure Based on the Principles of the Corporate Governance Code Updated

Principle 1.4: Cross-shareholdings

- JAPEX owns cross-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 cross-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.

Principle 1.7: Transactions with Related Parties

- JAPEX carries out all transactions, including transactions between related parties, in accordance with the criteria set forth in decision and authorization regulations, after review by the Administration Dept. and confirmation by the relevant departments, and after the approval of the President and Officers in charge, and other procedures.
- Competitive transactions by Directors, principal transactions between Directors and JAPEX, and transactions involving conflicts of interest are conducted in accordance with the resolution standards of the Board of Directors after approval by the Board of Directors. The results of transactions between related parties are disclosed in the Annual Securities Report and other documents following a resolution of the Board of Directors.

Supplementary Principle 2.4.1: Ensuring Diversity within JAPEX

(1) Ensuring diversity

- Under the JAPEX Diversity, Equity & Inclusion (DE&I) Policy, JAPEX recognizes that ensuring diversity in human resources is an important management issue. Accordingly, we actively work to improve our internal environment and develop human resources to actively promote the recruitment of women, foreigners, and mid-career hires as well as their promotion to managerial positions.

JAPEX Diversity, Equity & Inclusion (DE&I) Policy
https://www.japex.co.jp/en/sustainability/social/diversity/

(2) Voluntary and measurable targets for diversity and their status

(i) Women

Items	Targets	FY2025
Promotion of female employees to management positions	25 or more by FY2025	23
Ratio of female new-graduates	30% or more each year until FY2025	33.3%

* Although the target of the promotion of female employees to management positions was not achieved, the number of female employees in such positions has been trending higher.

(ii) Foreigners

- At present, we have not established any numerical targets specifically for the recruitment of foreigners, as our priority is to develop and nurture key personnel (global leaders centered around Japanese talent) who lead the overseas business.
- With the expansion of our overseas business, we will further strengthen recruitment and promotion of local talent at overseas subsidiaries, while considering optimal utilization of global talent across the JAPEX Group.

(iii) Mid-career hires

Items	Targets	FY2025
Ratio of mid-career hires in management positions	20% or more to be maintained until FY2025	26.7%
Ratio of mid-career hires to total hires	50% or more each year until FY2025	51.5%

Following the completion of the previous action plan in FY2025, we have formulated a new action plan toward FY2030.

1. Increase the percentage of female new-graduates to 30% or more every year (Continued)
2. Increase the percentage of female manager candidates (assistant manager levels) to 20% by the end of the plan period (New)
3. Increase the percentage of female managers to 10% or more by the end of the plan period (Continued/Revised)
4. Increase the percentage of male employees taking childcare leave to 100% every year (Revised)

As for mid-career hires, we have consistently met our target set for the percentage of mid-career hires to full-time employees and managers. Based on this, we determined that initiatives for promoting mid-career hiring and providing support to new mid-hires after joining the company have made some progress and have become established within the organization, and decided not to set uniform, specific target.

(3) Human resources development policy for ensuring diversity, internal environment development policy, and their status
JAPEX positions the “Human Resources Development Policy” and the “Internal Environment Development Policy” as an important foundation for ensuring diversity and for advancing human capital strategy.
Please refer to Supplementary Principle 3.1.3: Sustainability Initiatives in this report as details of specific initiatives based on these policies and the progress of the initiatives are consolidated therein.
Supplementary Principle 3.1.3: Sustainability Initiatives (“Investment in human capital” section)
For other details concerning “Ensuring Diversity within JAPEX,” please refer to “2. Views and Initiatives on Sustainability, (4) Human capital” in our Annual Securities Report published on June 19, 2026.

Principle 2.6: Roles of Corporate Pension Funds as Asset Owners

- JAPEX has a contract-type corporate pension plan. We have established a basic investment policy aimed at securing the necessary earnings over the long term in order to ensure the payment of pension benefits in the future, and have formulated the composition ratio of pension assets in consideration of risk and return.
- The investment management institutions entrusted by JAPEX have announced their acceptance of the Stewardship Code. We present our investment guidelines to each investment management institution and monitor their performance on a regular basis.
- In addition, the Pension Asset Management Committee, which is composed of members including Officers in the Finance & Accounting Dept. and Human Resources Dept., has established a system that enables the asset allocation and asset details of pension plans to be reviewed as necessary in order to achieve appropriate pension financial management.

Principle 3.1: Full Disclosure
(1) Corporate vision, management strategy, and management plan
Corporate Vision

- JAPEX has established the JAPEX Group Corporate Vision and Code of Ethics and Conduct.
- Please refer to our website for details. https://www.japex.co.jp/en/company/overview/vision/

Management strategy and management plan

- In May 2021 JAPEX formulated and announced “JAPEX 2050,” which summarizes our responsibilities toward the realization of a carbon-neutral society and our direction for future business development.
- JAPEX has been working to strengthen profitability and to build a business foundation for growth from 2030 onward in

accordance with the "JAPEX Management Plan 2022–2030" formulated and announced in March 2022. Consequently, JAPEX has achieved its key targets for FY2026 ahead of schedule, in terms of profit levels and shareholder returns. However, from the perspective of building business assets that contribute to sustainable growth, the goal has not been fully achieved.
- Furthermore, 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. Accordingly, we formulated and announced the "JAPEX Management Plan 2026–2035" in April 2026.
- In May 2026, in light of the announcement of "JAPEX Management Plan 2026–2035," we announced a forecast for key management indicators and business activities of focus for FY2026 in the financial results explanatory material for the fiscal year ended March 31, 2026.
- Please refer to our website for details.
  https://www.japex.co.jp/en/company/management/managementplan/
  https://www.japex.co.jp/en/news/uploads/pdf/JAPEX20260513_FY202603Explanatory_e.pdf

(2) Basic views and policies on corporate governance
- Please refer to "1. Basic Views" described above.

(3) Policies and procedures for determining the compensation of Directors
- The compensation of 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. This policy is described in "Disclosure of Policy for Determining Compensation Amounts and Calculation Methods" below.

(4) Policies and procedures for the appointment and dismissal of senior management and the nomination of candidates for Directors and Audit & Supervisory Board Members
- The policies and procedures for the appointment and dismissal of senior management and the nomination of candidates for directors and Audit & Supervisory Board Members are as follows.

Policies

◆ In appointing Executive Officers for senior management roles, the essential requirement is that the candidate satisfies the qualifications and personal profile required of an executive officer set forth in the Executive Officer Appointment Criteria. JAPEX also considers appointing diverse talent, taking into account factors such as the balance of originating departments, the appropriate number of members and the size of the management, regardless of gender, nationality, age, or other attributes.

◆ In nominating candidates for Directors, JAPEX comprehensively considers the right person to be in the right position, taking into consideration accurate and prompt decision-making, appropriate risk management, monitoring of business execution, and balancing the functions of JAPEX with those of each business unit.

◆ In nominating candidates for Audit & Supervisory Board Members, JAPEX comprehensively considers the right person to be in the right position while ensuring a balance between knowledge of finance, accounting, and legal affairs, knowledge of our business fields, and diverse perspectives on corporate management.

Procedures

◆ In the appointment of Executive Officers for senior management roles, the President drafts an executive officer candidate list after reviewing the succession plans of each department in accordance with the procedures set forth in the Executive Officer Appointment Criteria. The candidates are then selected based on the resolution of the Board of Directors. In the event that an Executive Officer commits an act of misconduct or violation of laws or regulations, the Executive Officer may be dismissed based on the resolution of the Board of Directors. The Nomination and Compensation Committee deliberates on matters related to the appointment and dismissal of executive officers, prior to deliberation by the Board of Directors.

◆ Candidates for Directors and Audit & Supervisory Board Members are appointed based on a comprehensive consideration of their performance, character, and insight, as well as their suitability for the duties of these positions. Candidates for Audit & Supervisory Board Members are selected after obtaining the prior consent of the Audit & Supervisory Board and approval of the Board of Directors, and through deliberation by the General Meeting of Shareholders. In the event that a Director commits an act of misconduct or violation of laws or regulations, or is negligent in his/her duties, the resolution of a general meeting of shareholders shall be sought after thorough deliberation by the Board of Directors.

◆ When considering the appointment of candidates for Directors and Audit & Supervisory Board Members, JAPEX receives appropriate involvement and advice from Outside Directors and Outside Audit & Supervisory Board Members as necessary. Prior to deliberation by the Board of Directors, the Nomination and Compensation Committee deliberates on matters related to the appointment and dismissal of Directors and Audit & Supervisory Board Members to be submitted to the General Meeting of Shareholders.

(5) Reasons for the appointment and dismissal of senior management and the nomination of candidates for Directors and Audit & Supervisory Board Members
- Reasons for the appointment of Directors and Audit & Supervisory Board Members of JAPEX are stated in the Notification

of the Convocation to the Ordinary General Meeting of the Shareholders of JAPEX.
YOSHIDA Kosei, Audit & Supervisory Board Member and KAWAKITA Chikara, Audit & Supervisory Board Member: Refer to pages 13 and 14 of the Notification of the Convocation to the 56th Ordinary General Meeting of the Shareholders
KATO Yoshitaka, Audit & Supervisory Board Member: Refer to page 16 of the Notification of the Convocation to the 54th Ordinary General Meeting of the Shareholders
ASAI Masaru, Audit & Supervisory Board Member: Refer to page 14 of the Notification of the Convocation to the 55th Ordinary General Meeting of the Shareholders

- Directors: Refer to pages 5 to 11 of the Notification of the Convocation to the 56th Ordinary General Meeting of the Shareholders
https://www.japex.co.jp/en/ir/library/shareholdersmtg/

Supplementary Principle 3.1.3: Sustainability Initiatives

(1) Sustainability initiatives

- JAPEX believes that our mission is to provide a stable supply of energy and that our business activities themselves are a form of Corporate Social Responsibility (CSR). Based on this recognition, we have formulated a policy on CSR and sustainability activities, significant challenges, and action plans. The Sustainability Committee reviews the achievement progress every year and sets goals.
- In formulating "JAPEX Management Plan 2026–2035," 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 our management plan."
Among those with high financial implications in the Management Plan 2026–2035, we have identified more specific issues centering around the key areas to enhance our corporate value.

Material issues

- Building overseas E&P assets
- Commercialization of CCUS
- Enhancement of organization and HR for the building of core assets
- Pivot to data-driven management

- For details of our sustainability initiatives, please refer to our website and the Integrated Report.
Website: https://www.japex.co.jp/en/sustainability/
Integrated Report 2025: https://www.japex.co.jp/ir/uploads/pdf/JAPEX_IR2025_e.pdf

(2) Climate change

- JAPEX2050 sets forth our direction, including GHG emission reduction target and focus measures, aiming to achieve the world's "Realizing Carbon-Neutral Society in 2050" initiative. JAPEX2050 clarifies the direction for achieving net-zero emissions (Scope 1 + Scope 2) from our operations in 2050, the GHG emission intensity reduction target of 40% in FY2030 compared to FY2019, and further expansion of businesses that contribute to the realization of a carbon-neutral society (CCS/CCUS and renewable energy). In addition, specific initiatives up to 2030 are outlined in the JAPEX Management Plan 2026-2035.
- JAPEX is formulating strategies that take into account climate change risks and opportunities by establishing a governance structure in line with the TCFD Recommendations and quantitatively assessing financial impacts based on scenario analysis, including the 2°C scenario and the 2050 net-zero scenario. We manage climate change risks that are deemed important for our business within the company-wide risk management process.
- For details of our response to climate change, please refer to our website and the Integrated Report.
Website: https://www.japex.co.jp/en/sustainability/environment/climate/
Integrated Report 2025: https://www.japex.co.jp/ir/uploads/pdf/JAPEX_IR2025_e.pdf

(3) Preserving biodiversity and ecosystems

- JAPEX has incorporated biodiversity and ecosystem preservation into the JAPEX HSE Policy, setting it as one of the core CSR themes. In both domestic and overseas operations, we are committed to paying attention to and conserving biodiversity.
- We are also advancing our initiatives in line with the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD). We conducted a LEAP analysis with the E&P field, which is our mainstay business, as the priority target, and identified short-term nature-related risks and opportunities. In addition to the foregoing, in FY2025, we identified and assessed medium- to long-term nature-related risks and opportunities associated with our business activities through scenario analysis.
- For details of our initiatives to preserve biodiversity and ecosystems, please refer to our website and the Integrated Report.
Website: https://www.japex.co.jp/en/sustainability/environment/biodiversity/
Integrated Report 2025: https://www.japex.co.jp/ir/uploads/pdf/JAPEX_IR2025_e.pdf

(4) Investment in human capital

To achieve the build-up of core assets by focusing on overseas E&P business and CCUS projects set forth by the Management Plan 2026–2035, JAPEX closely aligns its management strategy and human capital strategy. Specifically, we are advancing two initiatives of securing key personnel who lead the build-up of core assets and transforming organizational culture as the twin pillars of strategy. By pursuing the build-up of foundation to advance them in an integrated manner, we aim to transform ourselves into “an organization/team of professionals that enable the build-up of core assets,” which will become execution capabilities required to support transformation.

Advancement of human capital strategy

(a) Securing key personnel: We will identify and systematically develop key personnel who lead the build-up of core assets and develop a talent pipeline that consistently nurtures key personnel. We are advancing initiatives to strengthen our global talent pipeline for key positions through offering training programs that provide overseas work experience and programs to improve skills and language proficiency, improving treatment of expatriates, and actively recruiting globally minded talent.

(b) Transformation of organizational culture: We pursue two initiatives—strategically developing the culture by backcasting from the desired state and enhancing engagement as a catalyst for changes—as the twin pillars. We have conducted a company-wide engagement survey, the score of which in FY2025 showed steady improvement compared with the first survey.

Build-up of the foundation for advancing human capital strategy

In accordance with the “Human Resources Development Policy” and the “Internal Environment Development Policy,” we will work to establish organizational environment and operate systems as the foundation for advancing human capital strategy as follows.

- Realization of a fulfilling workplace with employee well-being: We foster an organizational culture through promoting Diversity, Equity & Inclusion (DE&I), and promote Health Management based on JAPEX Health Management Declaration.
- Personnel system to promote transformation: We operate a grading system that selects the most suitable talent based on the expected role regardless of age, a differentiated compensation system that appropriately rewards employees in accordance with the significance of their roles and their achievement, and other evaluation systems that emphasize employee behaviors that have a positive impact on others.
- Human resource development: We systematically develop human resources by establishing an education system linked to the role grading system (learning paths, etc.), and provide support for self-directed career development through internal open recruitment system and support for studying abroad, among other initiatives.

* For the specific status of each initiative related to human capital, and details of various indicators and their progress, please refer to “2. Views and Initiatives on Sustainability, (4) Human capital” in our Annual Securities Report issued on June 19, 2026.

(5) Investment in intellectual property

- Under JAPEX2050 and JAPEX Management Plan 2022-2030, JAPEX is working on new businesses that contribute to a carbon-neutral society, such as CCS/CCUS and renewable energy toward the realization of a carbon-neutral society. We will aggressively invest in technology in general, including intellectual property, in order to transfer our knowledge of the E&P and infrastructure/utility businesses that we have cultivated over 60 years to new businesses.
- Please refer to our website and the Integrated Report for details of our approach.
  Website: https://www.japex.co.jp/en/company/management/carbonneutral/
  https://www.japex.co.jp/en/technology/
  Integrated Report 2025 (pages 30 to 38): https://www.japex.co.jp/ir/uploads/pdf/JAPEX_IR2025_e.pdf

Supplementary Principle 4.1.1: Scope of Delegation to Management

- The Board of Directors discusses and makes decisions concerning important business execution, the detail of which is provided by the decision-making standard of the Board of Directors, including launching new business, management strategy such as a basic plan of marketing and sales, and decision, revision, or repeal of the medium-term business plan, as well as the exclusive prerogatives of the Board of Directors stipulated by laws and regulations. From the standpoint of accelerating the speed of decision-making, we compose the Executive Committee by the Directors and other executives based at the headquarters 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 decision-making in the Board of Directors.
- The Executive Committee is held basically two times in each month, and extraordinary meetings are also held as needed. For important investments, the Investment Evaluation Committee evaluates compatibility with the management policy prior to the institutional decision.
- For decisions on other business operations, we have established the Decisions and Authorization Regulations and have appropriately delegated operational authority to the President and below.

Principle 4.9: Independence Standards and Qualification for Independent Outside Directors

- JAPEX nominates Outside Officers who have experience as a corporate manager of a private company or are lawyers, and who are expected to provide supervision and wide-ranging proposals to our management based on their abundant experience and deep insight. In addition to the independence criteria stipulated by the Tokyo Stock

Exchange, JAPEX judges that a person who does not meet all of the following criteria satisfies independence.

(1) An executive of a company that provides products or services to JAPEX and for which the amount paid by JAPEX exceeds 2% of the consolidated net sales of the business partner in any of the last three fiscal years

(2) An executive of a company in which JAPEX's borrowings account for more than 2% of the consolidated total assets of JAPEX in any of the last three fiscal years

(3) An executive of a company to which we provide products or services and whose payments to JAPEX exceed 2% of consolidated net sales of JAPEX in any of the last three fiscal years

(4) A person who has received compensation exceeding ¥10 million per year from JAPEX as a consultant, accounting expert, or legal expert in any of the last three fiscal years in addition to Officer compensation (in the case of an organization such as a corporation or union, a person who belongs to such organization)

(5) A relative within the second degree of kinship of a person who falls under any of (i) through (iv) below:

- (i) A person listed in (1) to (4) above
- (ii) An executive of a subsidiary of JAPEX
- (iii) A Director who is not an executive of a subsidiary of JAPEX (limited to cases where an Outside Audit & Supervisory Board Member is designated as an Independent Officer)
- (iv) A person who fell into (ii) or (iii) above, or was an executive of JAPEX (including a director who is not an executive if an Outside Audit & Supervisory Board Member is designated as an Independent Officer) in the past three years

Supplementary Principle 4.10.1: Nomination and Compensation Committee

- Based on the resolution of the Board of Directors held in March 2019, JAPEX has established a Nomination and Compensation Committee, which is composed of members including Outside Directors, under the Board of Directors. The committee deliberates the following matters (regarding (v), including matters related to the concept of the skills of Directors, etc. and the skill matrix) prior to the Board of Directors.
  - (i) Matters concerning the appointment and dismissal of Directors and Audit & Supervisory Board Members to be submitted to the General Meeting of Shareholders
  - (ii) Matters concerning the selection and dismissal of representative Directors
  - (iii) Matters concerning the appointment and dismissal of Executive Officers
  - (iv) Matters concerning compensation and bonuses for Directors to be submitted to the General Meeting of Shareholders
  - (v) Other important matters concerning personnel and compensation
- Based on the recognition that the committee's deliberations require independence and objectivity, the committee currently consists of five members, including three Outside Directors and the chairman and president, who are internal Directors. The majority of members are Outside Directors, thus ensuring independence and objectivity. Beginning in FY2024, we decided to appoint the chairperson from among the Outside Directors.

Supplementary Principle 4.11.1: Views on the Balance, Diversity, and Size of the Board of Directors

- JAPEX believes that the Board of Directors must be diverse and of a reasonable size, and must be composed of directors with a variety of knowledge, experience, and skills from the perspectives of accurate and prompt decision-making, appropriate risk management, and monitoring of business execution.
- The policies and procedures for the appointment of Directors are stated in "Principle 3.1: Full Disclosure (4)."
- The Board of Directors of JAPEX is currently composed of 11 members, including five Outside Directors. Two of the five Outside Directors are women and two of them have management experience at other companies.
- A skill matrix listing the knowledge, experience, and skills of each Director and Audit & Supervisory Board Member is provided on the last page of this report.

Supplementary Principle 4.11.2: Directors and Audit & Supervisory Board Members Currently Serving as Officers of Other Listed Companies

- The JAPEX Notification of the Convocation to the 56th Ordinary General Meeting of the Shareholders (pages 5 to 14) describes the status of significant positions concurrently held by our Directors and Audit & Supervisory Board Members, including concurrent positions with Officers of listed companies.

  https://www.japex.co.jp/en/ir/library/shareholdersmtg/

Supplementary Principle 4.11.3: Analysis and Evaluation of the Effectiveness of the Entire Board of Directors

JAPEX conducts an annual evaluation of the overall effectiveness of the Board of Directors through questionnaires completed by all Directors and Audit & Supervisory Board Members, as well as other methods, in order to periodically verify whether the Board is fulfilling its roles and contributing to the enhancement of medium- to long-term corporate value, and to continuously implement improvement initiatives based on such verification. The outline of the effectiveness evaluation for FY2025 is as follows.

(i) Evaluation method

In FY2025, JAPEX reviewed its evaluation process, schedule, and questionnaire content in order to promote a more systematic PDCA cycle that contributes to ensuring the effectiveness of the Board of Directors and enhancing medium- to long-term corporate value.

At the Board of Directors' meeting held in December 2025, discussions were conducted regarding the evaluation policy, as well as the content and structure of the questionnaire prepared by the secretariat. Thereafter, an anonymous questionnaire survey was conducted from December 2025 through January 2026. The questionnaire included multiple-choice questions covering areas such as Board operations, roles and responsibilities of the Board, and the effectiveness of nomination and compensation, as well as free-text fields for each item, enabling the collection of a broad range of opinions on issues and potential improvements.

Subsequently, the secretariat aggregated and analyzed the responses, and the Board of Directors held discussions on the results and the policy for initiatives in the following fiscal year at its meeting in March 2026.

(ii) Key initiatives in FY2025

The following are the main initiatives implemented in FY2025 in response to key issues identified in the effectiveness evaluation for FY2024.

Effectiveness of nomination and compensation

- The Nomination and Compensation Committee held discussions on policies for the appointment of Executive Officers with the participation of all Outside Directors. After receiving consultation from the Committee, the Board of Directors resolved the criteria for executive officer appointments.
- An opinion exchange meeting was held between Outside Officers and Counselors to strengthen Outside Officers' involvement in the appointment process.

Board operations

- JAPEX developed a "Board Portal" using an internal information-sharing platform to improve the speed of document distribution and enhance the searchability of past materials and minutes.
- The evaluation process, schedule, and questionnaire content for the Board effectiveness evaluation were also reviewed.

(iii) Results of the FY2025 evaluation

As a result of the FY2025 effectiveness evaluation, it was concluded that the Board of Directors of JAPEX is sufficiently effective, as active questioning and opinion exchanges—primarily led by Outside Officers—are taking place, and an environment has been established in which each member can freely express opinions under appropriate meeting management. In addition, the following issues were identified with a view to further enhancing governance.

Roles and responsibilities of the Board of Directors

- While appropriate discussions are being held on the new management plan, further discussion on growth strategies, including optimal allocation of management resources, and ongoing monitoring of execution in response to changes in the business environment remain as continuing issues.
- Although engagement with shareholders and investors is being actively conducted and disclosure is appropriately implemented, further refinement of engagement methods and better incorporation of feedback obtained through such dialogue into management are desirable.

Effectiveness of nomination and compensation

- Initiatives such as ensuring the participation of all Outside Directors in Nomination and Compensation Committee meetings, as appropriate to the agenda items, have led to deeper and more constructive discussions. JAPEX is also expected to continue appropriately applying the Executive Officer Appointment Criteria established in FY2025.

Board operations

- Further enhancement of information infrastructure and opportunities for dialogue to enable Outside Officers to provide more effective advice and oversight is desirable.
- The "Board Portal" has improved the speed of information provision and operational efficiency of the Board, while also enhancing accessibility through centralized information management; further qualitative enhancement and establishment of this platform are expected.
- While progress has been made in establishing a PDCA cycle, including a review of the evaluation schedule, continued reviews are required to further enhance mechanisms for objective verification of effectiveness.

(iv) Future initiatives

Based on the issues identified in the FY2025 evaluation, JAPEX will focus on the following initiatives to further enhance governance and improve effectiveness.

Roles and responsibilities of the Board of Directors

- Setting key themes to be discussed at the Board of Directors' meetings throughout the fiscal year (already implemented in the FY2025 evaluation process)
- Deepening discussions on management strategy, including appropriate review of the new management plan

- Strengthening feedback from dialogue with capital markets

Effectiveness of nomination and compensation

- Appropriate operation of the executive officer appointment process based on the Executive Officer Appointment Criteria

Board operations

- Enhancing information provision to Outside Officers and maintaining opportunities for dialogue between internal and Outside Officers
- Optimizing information provision to deepen Board deliberations
- Continuous review of the methodology for evaluating Board effectiveness

Based on the results of this evaluation, JAPEX will further enhance the functions of its Board of Directors.

Supplementary Principle 4.14.2: Training Policy for Directors and Audit & Supervisory Board Members
- For Directors who concurrently serve as Executive Officers, JAPEX holds an annual Officers' camp in which all Executive Officers participate to discuss and deepen their understanding of management issues. We also hold periodic group training sessions (scheduled six times a year in FY2026) to learn the roles, responsibilities, and knowledge expected of Directors of a listed company.
- In addition, JAPEX fully explains its business, financial affairs, organization, and other matters to new Outside Officers and strives to create environment in which they can effectively fulfill their roles and responsibilities.
- We also encourage each Officer to self-study, provide and facilitate training opportunities suited to their roles, and broadly support the necessary costs.

Principle 5.1: Policy on Constructive Dialogue with Shareholders
- The Corporate Communication Office is the main department in charge of our IR activities. In cooperation with relevant departments including the Corporate Strategy Dept., the Administration Dept., and the Finance & Accounting Dept., the Corporate Communication Office works to deepen understanding of our business by implementing various initiatives as described below. Dialogue with shareholders, institutional investors, etc. is led by the Corporate Communication Office, but may be conducted jointly with the President, Officers in charge of relevant departments or Outside Directors, depending on the situation.

(i) Hold financial results briefings quarterly for analysts and institutional investors.
(ii) Hold individual meetings with analysts and institutional investors.
(iii) Conduct tours of our business sites, etc. for analysts and institutional investors.
(iv) Hold ESG briefings for analysts and institutional investors.
(v) Hold business briefings for individual investors.
(vi) Publish an annual integrated report.
(vii) Disclose information on our website.
(viii) Conduct tours of our business sites for shareholders.

- The Corporate Communication Office compiles the opinions and information obtained from shareholders, etc. through these activities and reports them to the Board of Directors on a regular basis. It also feeds them back to senior management, as appropriate, whenever necessary.
- In addition, as an effort to prevent insider trading, we have established internal regulations (Internal Information Management Regulations) concerning the handling of material facts and conduct training as needed for Officers and employees to educate them.

Status of Dialogue with Shareholders

JAPEX has been conducting dialogues with shareholders, institutional investors, etc., based on the policy described in "Principle 5.1: Policy on Constructive Dialogue with Shareholders," and the implementation status in FY2024 is disclosed in the Integrated Report.
https://www.japex.co.jp/ir/uploads/pdf/JAPEX_IR2025_e.pdf

Action to Implement Management that is Conscious of Cost of Capital and Stock Price

Content	Disclosure of initiatives (updated)
Availability of English disclosure	Available
Updated on **Updated**	April 22, 2026

Supplementary Explanation for Applicable Items **Updated**

- The following documents disclose JAPEX's actions to achieve management that is conscious of cost of capital and stock price.

(Current status analysis and policies)

JAPEX Management Plan 2026-2035

https://www.japex.co.jp/en/ir/uploads/pdf/JAPEX20260422_ManagementPlan2026-2035_presentation_e.pdf

2. Capital Structure

Foreign Shareholding Ratio	20% or more and less than 30%

Status of Major Shareholders Updated

Name or Company Name	Number of Shares Owned	Percentage (%)
Minister of Economy, Trade and Industry	97,163,620	37.84
The Master Trust Bank of Japan, Ltd. (Trust)	21,703,900	8.45
STATE STREET BANK AND TRUST COMPANY 505223	6,763,476	2.63
Custody Bank of Japan, Ltd. (Trust)	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

Name of Controlling Shareholder, if applicable (excluding Parent Company)	―――
Name of Parent Company, if applicable	Not applicable

Supplementary Explanation Updated

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3. Corporate Attributes

Listed Stock Market and Market Section	Tokyo Stock Exchange Prime Market
Fiscal Year-End	March
Type of Business	Mining
Number of Employees (consolidated) as of March 31, 2026	1,000 or more
Sales (consolidated) for the Previous Fiscal Year	From ¥100 billion to less than ¥1 trillion
Number of Consolidated Subsidiaries as of March 31, 2026	From 10 to less than 50

4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

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5. Other Special Circumstances which May have Material Impact on Corporate Governance

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II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management

1. Organizational Composition and Operation

Corporate Governance System	Company with an audit & supervisory board

Directors

Number of Directors Stipulated in Articles of Incorporation	18
Directors' Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	Chairman (except when concurrently serving as President)
Number of Directors	11
Election of Outside Directors	Elected
Number of Outside Directors	5
Number of Independent Directors	5

Relationship with JAPEX (1) **Updated**

Name	Attributes	Relationship with JAPEX*										
		a	b	c	d	e	f	g	h	i	j	k
YAMASHITA Yukari	Scholar								○			
SUGIYAMA Yoshikuni	From another company											
KAKIGI Koji	From another company							△	△			
WADA Masaki	Lawyer											
MIMURA Akiko	Lawyer											

* Categories for “Relationship with JAPEX”

* Use “○” when the individual presently falls or has recently fallen under the category and “△” when the individual fell under the category in the past.

* Use “●” when a close relative of the individual presently falls or has recently fallen under the category and “▲” when a close relative of the individual fell under the category in the past.

a Person who executes business of JAPEX or a subsidiary
b Person who executes business or a non-executive director of a parent company
c Person who executes business of a fellow subsidiary
d Person/entity for which JAPEX is a major client or a person who executes business for such person/entity
e Major client of JAPEX or a person who executes business for such client
f Consultant, accounting expert, or legal expert who receives large amounts of cash or other assets in addition to Director/Audit & Supervisory Board Member compensation from JAPEX
g Major shareholder of JAPEX (in cases where the shareholder is a corporation, a person who executes business of the corporation)
h Person who executes business for a client of JAPEX (excluding persons categorized as any of d, e, or f above) (applies to self only)
i Person who executes business for another company holding cross-directorships/cross-auditorships with JAPEX (applies to self only)
j Person who executes business for an entity that receives donations from JAPEX (applies to self only)
k Others

Relationship with JAPEX (2) **Updated**

Name	Designation as Independent Director	Supplementary Explanation of the Applicable Relationship	Reasons for Appointment as Outside Director
YAMASHITA Yukari	✓	Ms. YAMASHITA Yukari, an Outside Director, was the Managing Director at The Institute of Energy Economics, Japan, a business partner of JAPEX, until June 2026. However, in light of the scale and nature of the transactions, it is judged that there is no risk of affecting the judgment of shareholders and investors. Therefore, the outline of the transactions is omitted.	She has extensive knowledge through her research activities in a research lab studying energy economics and energy-and-environment-related policies. We expect her to provide us with valuable proposals that will be beneficial for JAPEX to aim for its long-term development as an integrated energy company; and therefore, have appointed her as an Outside Director. In addition, in light of the scale and nature of these transactions, they do not have a significant impact on our decision-making. There are no other relationships that may cause conflicts of interest with general shareholders. Therefore, she is designated as an Independent Officer because she is judged to have a neutral and fair position to pursue the common interests of shareholders.
SUGIYAMA Yoshikuni	✓	Significant positions concurrently held • Representative Director, Chairman at Nippon Television Holdings, Inc. • Representative Director, Chairman at NTV Network Corporation • Director at The Yomiuri Shimbun Holdings	He has distinguished insights and extensive corporate management experience gained at a newspaper company and other media businesses. We expect him to supervise JAPEX management from an objective and neutral standpoint, and to provide wide-ranging proposals that contribute to promoting JAPEX's sustainable growth and enhancing our medium- to long-term corporate value; and therefore, have appointed him as an Outside Director. In addition, he does not have any relationship that may cause a conflict of interest with general shareholders. Therefore, he is designated as an Independent Officer because he is judged to have a neutral and fair position to pursue the common interests of shareholders.
KAKIGI Koji	✓	Mr. KAKIGI Koji, an Outside Director, was the Representative Director, President and CEO at JFE Holdings, Inc., the parent company of JFE Engineering Corporation—a major shareholder and business partner of JAPEX. However, it has been about two years since he retired from the company in June 2024. As of March 31, 2026, the shareholding ratio of JFE Engineering Corporation in JAPEX is 1.80 %, while the amount paid by the JAPEX to JFE Engineering Corporation accounts for less than 1% of its total	He has broad insight into overall corporate management, cultivated through his extensive executive experience at globally operating companies in industries such as steel manufacturing. We expect him to supervise and provide wide-ranging proposals for JAPEX management, and have therefore appointed him as an Outside Director. As stated on the left, taking into consideration the shareholding ratio of JFE Engineering Corporation as of March 31, 2026 and the transaction amount with the company, they do not have a significant impact on our decision-making. Moreover, there are no other

		revenue.	relationships that may cause conflicts of interest with general shareholders. Therefore, he is designated as an Independent Officer because he is judged to have a neutral and fair position to pursue the common interests of shareholders.
WADA Masaki	✓	Significant positions concurrently held • Attorney at Wada Law Office	He has extensive knowledge and experience as a legal and risk management specialist, gained through many years of experience in the legal profession. We expect him to supervise and provide wide-ranging proposals for JAPEX management from the viewpoint of a legal expert; and therefore, have appointed him as an Outside Director. In addition, he does not have any relationship that may cause a conflict of interest with general shareholders. Therefore, he is designated as an Independent Officer because he is judged to have a neutral and fair position to pursue the common interests of shareholders.
MIMURA Akiko	✓	Significant positions concurrently held • Of Counsel/Special Advisor at Abe, Ikubo & Katayama	She has extensive knowledge and experience as a legal and risk management specialist, gained through her many years of service as a court judge and commissioner of Japan Fair Trade Commission. We expect her to supervise and provide wide-ranging proposals for JAPEX management from the viewpoint of a legal expert; and therefore, have appointed her as an Outside Director. In addition, she does not have any relationship that may cause a conflict of interest with general shareholders. Therefore, she is designated as an Independent Officer because she is judged to have a neutral and fair position to pursue the common interests of shareholders.

Voluntary Establishment of Committee(s) equivalent to Nomination Committee or Remuneration Committee	Established

Status of Voluntarily Established Committee(s), Attributes of Members Constituting the Committee and the Committee Chair (Chairperson)

	Committee's Name	All Members	Full-time Members	Inside Directors	Outside Directors	Outside Experts	Other	Chairperson
Voluntarily Established Committee Equivalent to Nomination	Nomination and Compensation Committee	5	0	2	3	0	0	Outside Director

Committee								
Voluntarily Established Committee Equivalent to Compensation Committee	Nomination and Compensation Committee	5	0	2	3	0	0	Outside Director

Supplementary Explanation **Updated**

- The Nomination and Compensation Committee has been established under the Board of Directors, with a view toward strengthening the supervisory function of the Board of Directors, by further ensuring the transparency and objectivity of the procedures for making decisions concerning the nomination and compensation of Directors.
- The status of activities of the Nomination and Compensation Committee for FY2025 is as follows:

Number of Meetings and Outline of Discussions

- Five meetings were held for the fiscal year under review.
- The committee discussed matters regarding Officers (election of Directors and Audit & Supervisory Board Members to be proposed to the general meeting of shareholders and election of Executive Officers, compensation and bonuses for Directors, the skill matrix, provision of shares to Officers, and so forth).

Attendance by Members

- Attended 5 out of 5 meetings:
  FUJITA Masahiro, YAMASHITA Michiro, YAMASHITA Yukari (chairperson from June 2025) (Note 1)
- Attended 4 out of 4 meetings:
  KITAI Kumiko (Note 1) (Note 2), SUGIYAMA Yoshikuni (Note 1)
- Attended 1 out of 1 meeting:
- ITO Tetsuo (chairperson until June 2025) (Note 1) (Note 3), KAWASAKI Hideichi (Note 1) (Note 3)

Notes 1. YAMASHITA Yukari, KITAI Kumiko, SUGIYAMA Yoshikuni, ITO Tetsuo, and KAWASAKI Hideichi are the Outside Directors as defined under Article 2, item 15 of the Companies Act.
2. Director KITAI Kumiko retired on June 23, 2026.
3. Directors ITO Tetsuo and KAWASAKI Hideichi retired on June 25, 2025.

Audit & Supervisory Board Member

Establishment of Audit & Supervisory Board	Established
Number of Audit & Supervisory Board Members Stipulated in Articles of Incorporation	4
Number of Audit & Supervisory Board Members	4

Cooperation among Audit and Supervisory Board Members, Accounting Auditors and Internal Audit Departments

The Audit & Supervisory Board receives regular reports on audit plans and audit results from the Accounting Auditor and exchanges opinions. The Audit & Supervisory Board also receives reports on audit plans and the results of internal audits from the Auditing Dept., and full-time Audit & Supervisory Board Members receive monthly reports on the status of implementation of internal audits and internal control evaluations from the Auditing Dept. In addition to providing the results of internal audits to the Accounting Auditor, the Auditing Dept. cooperates with the Audit & Supervisory Board by attending meetings of the Audit & Supervisory Board at which the Accounting Auditor reports the results of audit.

Appointment of Outside Audit & Supervisory Board Members	Elected
Number of Outside Audit & Supervisory Board Members	2

Number of independent Audit & Supervisory Board Members	2

Relationship with JAPEX (1)

Name	Attributes	Relationship with JAPEX*												
		a	b	c	d	e	f	g	h	i	j	k	l	m
KAWAKITA Chikara	Others													
KATO Yoshitaka	Certified public accountant								△					

* Categories for “Relationship with JAPEX”
* Use “○” when the individual presently falls or has recently fallen under the category and “△” when the individual fell under the category in the past.
* Use “●” when a close relative of the individual presently falls or has recently fallen under the category and “▲” when a close relative of the individual fell under the category in the past.

a Person who executes business of JAPEX or a subsidiary
b A non-executive director or an accounting advisor of JAPEX or its subsidiaries
c Person who executes business or a non-executive director of a parent company
d An Audit & Supervisory Board Member of a parent company of JAPEX
e Person who executes business of a fellow subsidiary
f Person/entity for which JAPEX is a major client or a person who executes business for such person/entity
g Major client of JAPEX or a person who executes business for such client
h Consultant, accounting expert, or legal expert who receives large amounts of cash or other assets in addition to Director/Audit & Supervisory Board Member compensation from JAPEX
i Major shareholder of JAPEX (in cases where the shareholder is a corporation, a person who executes business of the corporation)
j Person who executes business for a client of JAPEX (excluding persons categorized as any of f, g, or h above) (applies to self only)
k Person who executes business for another company holding cross-directorships/cross-auditorships with JAPEX (applies to self only)
l Person who executes business for entity receives donations from JAPEX (applies to self only)
m Others

Relationship with JAPEX (2) **Updated**

Name	Designation as Independent Director	Supplementary Explanation of the Applicable Relationship	Reasons for Appointment as Outside Audit & Supervisory Committee Member
KAWAKITA Chikara	✓	Significant positions concurrently held • Chairman at The Salt Science Research Foundation	He has distinguished insights gained from his extensive experience as a graduate school professor and in government administration at the Ministry of Finance and other organizations. We judge that he is able to appropriately conduct audits from an objective standpoint independent of the senior management executing our business; and therefore, have appointed him as an Outside Audit & Supervisory Board Member. In addition, he does not have any relationship that may cause a conflict of interest with general shareholders. Therefore, he is designated as an Independent Officer because he is judged to have a neutral and fair position to pursue the common interests of shareholders.
KATO Yoshitaka	✓	Although Mr. KATO Yoshitaka, an Outside Audit & Supervisory Board Member, was formerly Chairman and CEO at an audit firm (currently Ernst & Young ShinNihon LLC) that is JAPEX's accounting auditor, he has never been directly involved in JAPEX's accounting audits, and approximately 12 years have passed since he retired from the audit firm in June 2014. The amount paid to the audit firm in FY2025 was 123 million yen, which is less than 1% of the audit firm's net sales, and therefore, the audit firm is not economically dependent on the JAPEX Group. Significant positions concurrently held Outside Director (Audit & Supervisory Committee Member) at Sumitomo Chemical Company, Limited	He has 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. We have judged that he is able to carry out audits of the execution of duties by Directors; and therefore, have appointed him as an Outside Audit & Supervisory Board Member. As stated on the left, in light of the size and nature of the relationship among JAPEX, Mr. Kato and the audit firm, the relationship does not significantly influence JAPEX's decision-making. In addition, there are no other relationships that may cause conflicts of interest with general shareholders. Therefore, he is designated as an independent officer because he is judged to have a neutral and fair position to pursue the common interests of shareholders.

Matters Concerning Independent Directors and Independent Audit & Supervisory Board Members

Number of independent Directors and independent Audit & Supervisory Board Members	7

Other Matters Concerning Independent Directors and Independent Audit and Supervisory Board Members

JAPEX designates all Outside Officers who satisfy the requirements for an independent officer as independent officers.

Incentives

Implementation Status of Measures related to Incentives Granted to Directors	Introduction of Performance-linked Compensation Plan

Supplementary Explanation for Applicable Items

- JAPEX has introduced a performance-linked compensation plan for Directors, which can function as an incentive to sustainably enhance corporate value.
- Please refer to “Disclosure of Policy for Determining Compensation Amounts and Calculation Methods” below for the overview.

Persons Eligible for Stock Options	

Supplementary Explanation for Applicable Items

———

Director’s Compensation

Status of Disclosure of Individual Directors’ Compensation	Individual compensation is not disclosed.

Supplementary Explanation for Applicable Items **Updated**

In the Annual Securities Report, JAPEX discloses the total amount of compensation for internal and Outside Directors, including Audit & Supervisory Board Members.

The amount of compensation for Directors and Audit & Supervisory Board Members in FY2025 is as follows. The following share-based compensation comprised the provision equivalent to the amount related to the acquisition points in share-based compensation that were awarded during the fiscal year.

Directors (excluding Outside Directors)
Total compensation amount: ¥344 million (Basic compensation: ¥226 million, Bonuses: ¥68 million, Share-based compensation: ¥48 million)

Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members)
Total compensation amount: ¥50 million (Basic compensation: ¥50 million)

Outside Officers
Total compensation amount: ¥84 million (Basic compensation: ¥84 million)

Policy on Determining Compensation Amounts and the Calculation Methods	Established

Disclosure of Policy for Determining Compensation Amounts and Calculation Methods

The policy for determining the compensation of Directors is outlined below. As a prerequisite, the 54th Ordinary General Meeting of the Shareholders held on June 26, 2024 resolved that the basic monthly compensation for directors shall be no more than ¥50 million per month (including no more than ¥6 million per month for Outside Directors), and the total amount of bonuses shall be resolved at the General Meeting of Shareholders for each fiscal year.

Basic policy

- Regarding the compensation of Directors, the compensation structure can function as an incentive to sustainably enhance corporate value. When deciding the compensation of individual Directors, our basic policy is to set an appropriate level in consideration of the roles aligned with their position.
- Specifically, the compensation of Directors (excluding Outside Directors) comprises base compensation and performance-linked compensation (bonuses and share-based compensation). Compensation for Outside Directors is only base compensation, considering their duty of supervising management.

Policy for determination of compensation

- The base compensation of JAPEX's Directors is fixed monthly monetary compensation and is decided in comprehensive consideration of their position, balance with public markets and employee pay, number of years employed, and more.
- 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. The Directors' contribution to corporate management is evaluated based on their contribution to the business results mentioned above, achievement of annual targets and business plans (including greenhouse gas emission reduction targets), human resource management, leadership, and execution ability.
- Of performance-linked compensation, share-based compensation is based on the Officer Compensation Share Provision Rules 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 share price of said shares is provided as a general rule to Directors upon retirement.
- 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.
- 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 share-based compensation is reported in advance to the Nomination and Compensation Committee.

Support System for Outside Directors and/or Outside Audit & Supervisory Board Members

For information exchange and recognition sharing with Outside Directors, JAPEX holds regular meetings with the President to exchange opinions, and has established the Outside Director Liaison Meeting as a place to provide explanations to, provide information to, and exchange information with Outside Directors in advance of Board of Directors proposals.

JAPEX assigns two staff members as a secretariat to assist audit by Audit & Supervisory Board Members. In addition, we continue to create an environment in which Outside Audit & Supervisory Board Members can gain a clear understanding of the state of JAPEX and frankly express their opinions and questions through meetings of the Audit & Supervisory Board and other opportunities for exchanging opinions and information.

Statuses of Persons who have retired as Representative Director and President, etc.

Information on Persons Holding Advisory Positions (*Counselor*, *Advisor*, etc.) after Retiring as Representative Director and President, etc.

Name	Job title/position	Responsibilities	Terms and Conditions of Employment	Date when former role as president/CEO etc. ended	Term
WATANABE Osamu	Special advisor	Provides advice based on experience and knowledge as requested by JAPEX	Full time, with compensation	March 31, 2024	———

Number of Persons Holding Advisory Positions (*Counselor*, *Advisor*, etc.) After Retiring as Representative Director and President, etc.	1

Other Related Matters

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2. Matters Concerning Functions of Business Execution, Auditing and Supervision, Nomination, and Remuneration Decisions (Overview of Current Corporate Governance System)

At JAPEX, Directors or Executive Officers, who are appointed and assigned duties by the Representative Directors and Board of Directors, serve as operating officers. The Board of Directors and Audit & Supervisory Board Members (along with the Audit & Supervisory Board comprising all Audit & Supervisory Board Members) assume the role of supervising the execution of their duties. (Company with an audit & supervisory board)

1. Corporate Organs

• Board of Directors and Executive Committee

The Board of Directors, chaired by FUJITA Masahiro, Representative Director and Chairman, is regularly held once a month. Decisions on important business execution are left to the Board. It also serves supervisory functions as it receives business execution reports from Directors or Executive Officers.

In addition, in order to strengthen the supervisory functions of the Board of Directors, JAPEX appointed five insightful and independent Outside Directors. Those Outside Directors actively provide opinions and advice on meeting agenda and deliberations at the Board of Directors' meeting, from a highly independent position from management, thus encouraging invigorating discussions at the meeting.

The status of activities of the Board of Directors for FY2025 is as follows:

Number of Meetings and Outline of Discussions

- 13 meetings were held during the fiscal year under review.
- 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 and matters regarding participation in specific projects and loans to relevant subsidiaries, and so forth.
- The Board of Directors received general reports on sustainability topics, including the management plan, HSE (Health, Safety, and Environment), personnel strategies, and health management, as well as reports on the above topics as specific items for discussion, and then discussed matters such as the status of efforts.
- The Board of Directors received regular reports of production and sale of gas and other energy sources in Japan and the progress in projects, and then discussed matters such as the status of efforts.
- In addition to the above, the Board of Directors received reports on specific items for discussion, including DX (digital transformation) and the internal reporting system, and then discussed matters such as the status of efforts.

Attendance by Directors

- Attended 13 out of 13 meetings: FUJITA Masahiro, YAMASHITA Michiro, NAKAJIMA Toshiaki, FUNATSU Jiro, YAMASHITA Yukari (Note 1), KITAI Kumiko (Note 1), SUGIYAMA Yoshikuni (Note 1)
- Attended 10 out of 10 meetings: YAMADA Tomomi, NAKANO Masanori, KAKIGI Koji (Note 1), WADA Masaki (Note 1)
- Attended 3 out of 3 meetings: ISHII Yoshitaka (Note 2), TEZUKA Kazuhiko (Note 2), ITO Tetsuo (Note 1) (Note 2), KAWASAKI Hideichi (Note 1) (Note 2)

Attendance by Audit & Supervisory Board Members

- Attended 13 out of 13 meetings: TAKAHATA Shinichi, KAWAKITA Chikara (Note 3), KATO Yoshitaka (Note 3)
- Attended 10 out of 10 meetings: ASAI Masaru
- Attended 3 out of 3 meetings: MOTOYAMA Yoshihiko (Note 2)

Notes 1. ITO Tetsuo, YAMASHITA Yukari, KAWASAKI Hideichi, KITAI Kumiko, SUGIYAMA Yoshikuni, KAKIGI Koji, and WADA Masaki are Outside Directors as defined under Article 2, item 15 of the Companies Act.
2. Directors ISHII Yoshitaka, TEZUKA Kazuhiko, ITO Tetsuo, and KAWASAKI Hideichi, and Audit & Supervisory Board Member MOTOYAMA Yoshihiko retired on June 25, 2025.
3. KAWAKITA Chikara and KATO Yoshitaka are Outside Audit & Supervisory Board Members as defined under Article 2, item 16 of the Companies Act.

From the standpoint of accelerating the speed of decision-making, we have established the Executive Committee composed of the Directors and other executives of JAPEX and chaired by YAMASHITA Michiro, Representative Director and President, 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 decision-making in the Board of Directors. The Executive Committee meets twice a month in principle, and holds extraordinary meetings as needed. The Executive Committee consists of the following members as of the date of filing of this report:

Names of Members of the Executive Committee

Chairman: YAMASHITA Michiro, Representative Director and President

Members: FUJITA Masahiro, NAKAJIMA Toshiaki, YAMADA Tomomi, NAGAHAMA Yasushi, FUNATSU Jiro, NAKANO Masanori, YASUI Akira, TAKAHASHI Toshihiro, NISHIMURA Yutaka, and WADA Dai

• Audit & Supervisory Board and Audit & Supervisory Board Members

All Audit & Supervisory Board Members attend the Board of Directors and the Outside Officer Liaison Meeting, and Full-time Audit & Supervisory Board Members attend the Executive Committee and other important management meetings to perform the function of management supervision by exchanging opinions as necessary with Directors and Executive Officers responsible for business execution.

In principle, the Audit & Supervisory Board meets monthly. During FY2025, JAPEX held 12 meetings of the Audit & Supervisory Board. The attendance rate of each Audit & Supervisory Board Member is as follows:

Title	Name	Attendance rate for the Audit & Supervisory Board Meetings during FY2025
Audit & Supervisory Board Member (full-time)	MOTOYAMA Yoshihiko	100% (2/2)
	TAKAHATA Shinichi	100% (12/12)
	ASAI Masaru	100% (10/10)
Outside Audit & Supervisory Board Member	KAWAKITA Chikara	100% (12/12)
	KATO Yoshitaka	100% (12/12)

The Audit & Supervisory Board resolved, reported, deliberated on and discussed the following matters throughout 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, 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 presented by the Accounting Auditor; and the progress of audit procedures as of the end of the first and third quarters, semi-annual review results, and annual accounting audit results by the Accounting Auditor.

Two matters were deliberated on and discussed, which included business reports and compensation for Audit & Supervisory Board Members.

2. Internal Audits

Internal audits of JAPEX are conducted by Auditing Dept. under the direct management of the President. The Auditing Dept. has nine members in charge of internal auditing, which audits the systems and execution of management activities, and internal control evaluation, which independently evaluates internal control over financial reporting.

The internal audits and internal control evaluation are conducted respectively following the annual plans in order and results are reported to the President and Audit & Supervisory Board Members on all such occasions while guidance and advice are given to the relevant departments where necessary. The results are reported to the Board of Directors and the Audit & Supervisory Board twice a year.

3. Accounting Auditor

The Accounting Auditor who conducts the audit of the financial statements and the internal control practices in the 56th fiscal year has been Ernst & Young ShinNihon LLC, and the certified public accountants who conducted the audit were as follows:

Name: YAMAZAKI Kazuhiko, MORONUKI Kentaro, OTSUKI Masahiro
Breakdown of assistants to the audit: 7 certified public accountants and 26 other assistants

4. Internal Committees

JAPEX has the risk management system with various internal committees. Risks in general management and each project are evaluated and managed by the Risk Management Committee with a cross-sectional perspective, and deliberated by the expert committees to mitigate each risk.

For example, the Investment Evaluation Committee verifies risks and validity of important investments. The Risk Management Committee monitors the progress and formulates its countermeasures for the issues of each project which the investment decision was made.

The Sustainability Committee deliberates on matters related to the long-term vision and business plan, and ESG (Environmental, Social, and Governance) management including company-wide climate change measures, in order to make a sustainable growth over the medium to long term. In case to deliberate the risks of each business or project at the Sustainability Committee, the conclusions of deliberation in the Investment Evaluation Committee and the Risk Management Committees are appropriately adopted and referred. Other important matters related to information security and occupational health and safety are discussed by the Information Security Committee and the HSSE Committee.

The results of deliberation and verification in the internal committees are reported to the Executive Committee and the Board of Directors as necessary for the deliberation of related matters.

5. Outline of the Limited Liability Agreement

JAPEX amended the articles of incorporation at the General Meeting of Shareholders as of June 2015, enacted the new article related to the limited liability agreement with Outside Directors and Outside Audit & Supervisory Board Members, and each Outside Director and Outside Audit & Supervisory Board Member executed the agreement based on the above article.

The outline of the limited liability agreement is as follows:

- The limited liability agreement with Outside Directors
  In the case where Outside Director(s) is(are) liable for damages which have arisen to JAPEX under Paragraph 1, Article 423 of the Companies Act, given his/her performance of duties are made faithfully and without any gross negligence, he/she should be liable for damages to JAPEX within the limit of minimum amount as stipulated in each item of Paragraph 1, Article 425 of the Companies Act and should be exempted from any liabilities beyond the minimum amount by JAPEX.

- The limited liability agreement with Outside Audit & Supervisory Board Members
  In the case where Outside Audit & Supervisory Board Member(s) is(are) liable for damages which have arisen to JAPEX under Paragraph 1, Article 423 of the Companies Act, given his/her performance of duties are made faithfully and without any gross negligence, he/she should be liable for damages to JAPEX within the limit of minimum amount as stipulated in each item of Paragraph 1, Article 425 of the Companies Act and should be exempted from any liabilities beyond the minimum amount by JAPEX.

3. Reasons for Adoption of Current Corporate Governance System

JAPEX has introduced an Executive Officer System to clarify the business execution system. Directors or Executive Officers, who are appointed and assigned duties by the Representative Directors and Board of Directors, serve as operating officers.

In addition, in order to strengthen the supervisory function of the Board of Directors, JAPEX has appointed Outside Directors who are highly independent and have deep insight. The Outside Directors and Outside Audit & Supervisory Board Members contribute to vigorous discussion at the Board of Directors by actively providing comments and advice on proposals and deliberations from a standpoint independent of the management team.

JAPEX considers it possible to ensure that decisions are made in an objective and appropriate manner under the system in which independent Outside Directors and Outside Audit & Supervisory Board Members provide opinions and supervision regarding the management of operating officers.

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Vitalize the General Meeting of Shareholders and Facilitation of Voting Rights Updated

	Supplementary Explanation
Early Posting of Notice of the General Meeting of the Shareholders	Posting date of the notification of the convocation to the 56th Ordinary General Meeting of the Shareholders held on June 23, 2026: June 3, 2026 (19 days in advance) Prior to that posting, the notification of the convocation was made available on our website on May 27, 2026.
Electronic Exercise of Voting Rights	Voting rights can be exercised via the Internet, in addition to voting by mail or in person.
Participation in a Platform for the Electronic Exercise of Voting Rights and Other Initiatives to Enhance Environment for Institutional Investors to Exercise Voting Rights	Participating in an electronic voting platform for institutional investors served by ICJ, Inc.
Provision of Notice (or Summary of Notice) of the General Meeting of the Shareholders in English	An English translation as a summary of the Notice of the General Meeting of the Shareholders is submitted via TDnet and posted on our website.

2. Status of IR Activities Updated

	Supplementary Explanation	Explanation by a representative
Regular Investor Briefings held for Analysts and Institutional Investors	Quarterly financial results briefings are held (twice a year).	Yes
Online Disclosure of IR Information	Electronic files of Financial Results, Explanatory Materials of Financial Results, Annual Securities Reports, Integrated Reports and other materials are available on our website. The above materials are translated into English and posted on our website.	
Placement of Department in Charge of IR activities	Dedicated department: Corporate Communication Office Officer in charge of IR activities: NAKAJIMA Toshiaki, Representative Director and Executive Vice President	

3. Status of Initiatives to Respect for Stakeholders' Position Updated

	Supplementary Explanation
Stipulation to Respect for the Position of Stakeholders in of Internal Rules	• Corporate vision and code of ethics and conduct JAPEX states in our corporate vision: "Achieve sustainable growth and maximize corporate value, while placing top priority on maintaining trust with all stakeholders." To realize our Corporate Vision and sustain as a company trusted by society, JAPEX has established 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. The Code stipulates that we "Strive to maintain trust with stakeholders and to contribute to society" and "Respect the human rights of all people." Therefore, JAPEX's emphasis on stakeholders is clearly positioned in our Corporate Vision framework. JAPEX's Corporate Vision and Code of Ethics and Conduct are available on our website. (https://www.japex.co.jp/en/company/overview/vision/) • Human rights initiatives We have established the Human Rights Policy as the specific policy based on the commitment to respecting human rights shown in "The JAPEX Group Code of Ethics and Conduct." Efforts to date include the implementation of human rights due diligence on JAPEX and its domestic and overseas subsidiaries, affiliates, and business partners. In addition, to appropriately address human rights concerns, the JAPEX Group has established a reporting and consultation desk that can be used by all stakeholders (both inside and outside the company) involved in our business activities. JAPEX's initiatives to promote respect for human rights are available on our website. (https://www.japex.co.jp/en/sustainability/social/humanrights/) • CSR procurement policy JAPEX has established a CSR Procurement Policy aimed at contributing to a sustainable society. In addition, to promote CSR procurement in collaboration with our business partners, we have outlined specific measures in our "CSR Procurement Guidelines." Through these guidelines, we seek their understanding and cooperation, with the goal of building stronger partnerships. JAPEX's CSR Procurement Policy and CSR Procurement Guidelines are available on our website. (https://www.japex.co.jp/en/sustainability/social/procurement/)
Implementation of Environmental Preservation Activities and CSR Activities, etc.	As for environmental preservation activities, JAPEX has identified "climate change response," "pollution prevention and resource recycling," and "preserving biodiversity and ecosystems" as environmental challenges that we should focus on. Under the "JAPEX HSE Policy" as our policy on occupational health, safety, and the environment, we address these challenges in daily operations through the HSE management system. JAPEX decided to focus on resolving the following three social issues from the Sustainable Development Goals (SDGs). 7: Affordable and clean energy 9: Industry, innovation and infrastructure 13: Climate action JAPEX's initiatives are available on our website. (https://www.japex.co.jp/en/sustainability/)
Other	• Efforts to promote Health Management We established JAPEX Health Management Declaration to promote Health Management as one of our management issues, and developed a system led by the President to ensure its implementation. Recognizing lifestyle-related diseases, mental health, and women's health as priority issues, we are implementing initiatives to maintain and improve employee health. In FY2025, JAPEX was selected for the KENKO Investment for Health Stock Selection for the third consecutive year, in recognition of its excellence in Health Management. In addition, JAPEX was recognized as one of the "White 500 Outstanding Organizations of KENKO Investment for Health."

	JAPEX’s initiatives to promote Health Management are available on our website. (https://www.japex.co.jp/en/sustainability/social/healthmgmt/)

IV. Matters Concerning the Internal Control System

1. Basic Views and Development Status of Internal Control System Updated

The Board of Directors held on November 10, 2023 resolved to develop the necessary systems to ensure the properness of business operations as stipulated in the Companies Act and the Ordinance for Enforcement of the Companies Act based on the following policies.

1. Systems to ensure that the execution of duties by JAPEX's Directors and employees complies with laws and regulations and the Articles of Incorporation.
   To ensure that the execution of duties by Directors and employees of JAPEX conforms to laws and regulations and the Articles of Incorporation, JAPEX establishes the JAPEX Group Code of Ethics and Conduct and develops a system to ensure compliance and thoroughness with the code.
   Likewise, JAPEX makes its Directors and employees to follow laws and regulations and the Articles of Incorporation in the performance of their duties by establishing the Risk Management Committee chaired by the President, which deliberating important compliance-related matters and managing the status of implementation, as well as by ensuring thorough awareness of compliance through internal training. At the same time, JAPEX organizes an internal reporting system with internal and external contact points for reporting and consultation that are independent from the company organization.
   In addition, each department manages the execution of its duties following own business regulations and manuals, and the internal auditing Dept., which is controlled directly by the President audits the systems and execution status of various management activities and reports the results to the President, the Board of Directors and the Audit & Supervisory Board.
   Further, to secure the reliability of financial reporting, JAPEX organizes and properly operates an internal control system for financial reporting, and the internal audit department independently evaluates the effectiveness of the system and reports the results to the President, the Board of Directors and the Audit & Supervisory Board.

2. Systems concerning the retention and management of information on the execution of duties by Directors
   JAPEX retains the minutes of the Board of Directors, approval for management, various contracts, and other major documents that indicate the execution status of operations. The details of the system are stipulated by the document handling regulations.

3. Regulations and other systems relating to manage risks of loss
   JAPEX reviews credit management regulations, market risk management and derivative trading regulations, and other emergency response procedures, and where necessary, prepares manuals and other documents from the perspective of risk management.
   At the same time, the Risk Management Committee evaluates and manages cross-company risks.

4. Systems to ensure that Directors execute their duties efficiently
   The Board of Directors meets monthly in principle, to conduct swift decision-making on agenda items on which the Executive Committee has deliberated in advance. The Board of Directors also ensures efficient execution by delegating authority in accordance with the decisions and authorization regulations.

5. Systems to ensure appropriate business activities in the business group comprised of JAPEX and its subsidiaries
   Through the JAPEX Group Code of Ethics and Conduct and the Management Plan, JAPEX sets forth the common direction and goals to be pursued by the Group as its management policy, and the entire Group works together to achieve them.
   Likewise, JAPEX Group makes efficient decisions and executes duties appropriately in a timely manner. JAPEX appropriately operates group management agreements, etc., so that it can consult with and can receive reports on important matters from its subsidiaries in advance. In addition, in accordance with the Subsidiary and Associate Management Regulations, JAPEX's departments in charge of managing subsidiaries and affiliates and corporate divisions, etc., support the subsidiaries in development and operation of the internal control systems as well as risk management to ensure appropriate operations of the entire Group.
   Our subsidiaries establish and operate a system similar to our system that is stipulated in the preceding four items, depending on the type of business, size and other attributes. Our subsidiaries’ Directors report to JAPEX on the status of execution of their duties regularly or as needed.
   Furthermore, JAPEX's internal reporting system applies to subsidiaries, and our internal audit department audits subsidiaries as necessary.

6. Matters relating to employees who assist in the duties of Audit & Supervisory Board

At the request of its Audit & Supervisory Board, JAPEX appoints one or more employees as Audit & Supervisory Board office Members.

7. Matters relating to the independence of the employees set forth in the preceding item from Directors
   Personnel-related decisions on the relevant employees, including appointment and transfer, are subject to the prior agreement of the Audit & Supervisory Board.

8. Matters relating to ensure the effectiveness of instructions given by the Audit & Supervisory Board Members to the relevant employees
   The employees appointed by the Audit & Supervisory Board office perform their duties in accordance with the instructions of the Audit & Supervisory Board, and operating departments cooperate with such employees in the performance of their duties.

9. Systems for our Directors and employees and subsidiaries' Directors to report to the Audit & Supervisory Board Members
   (1) Our Directors make monthly business reports at Board of Directors and circulate requests for management approval to the Audit & Supervisory Board Members (Note). In addition, Director or employee immediately reports to the Audit & Supervisory Board Member if he/she discovers any facts that may cause significant damage to JAPEX.
   (2) Our subsidiaries' Director, Audit & Supervisory Board Member, or employee report to the Audit & Supervisory Board Member when he/she discovers any fact that may cause significant damage to JAPEX. The same also applies to matters deemed necessary in connection with the performance of duties.
   (Note) Specifically, the full-time Audit & Supervisory Board Members receive requests for management approval in accordance with the segregation of duties among Audit & Supervisory Board Members.

10. Systems to ensure that persons who made a report as set forth in the preceding item are not treated disadvantageously due to such reporting
    Applicable to JAPEX and its subsidiaries, the handling procedures for such reporting stipulates that no person who made a report as set forth in the preceding item is subjected to any disadvantageous treatment for such reporting.
11. Matters relating to policies concerning the procedure for advance payment or reimbursement of expenses that arise in the execution of duties by the Audit & Supervisory Board Members, or other expenses or obligations that arise in such execution of duties
    The Audit & Supervisory Board Members may request prepayment, reimbursement, or other payment in case of necessary to execute their duties by writing with reason, amount, and others. Based on the writing, JAPEX makes advance payments or reimbursements.

12. Other systems to ensure effective audits of the Audit & Supervisory Board Members
    JAPEX ensures that the Audit & Supervisory Board Members have opportunities to exchange opinions with the Representative Directors and the Accounting Auditors to enhance cooperation and information sharing.
    Likewise, the Audit & Supervisory Board Members cooperate with the internal audit division through periodic exchanges of opinions to improve the effectiveness of the audits.

2. Basic Views and Development Status on Measures for Eliminating Anti-Social Forces

JAPEX's Compliance Manual stipulates that employees shall take a firm stand against antisocial forces and have no relationship whatsoever with them and that employees shall not easily compromise with money or the like when unjustified demands are made. In addition, internal education for employees is provided internally on how to respond to unreasonable demands by introducing specific examples.

Our Legal Office is in charge of dealing with antisocial forces, collects and manages internal information in a centralized manner and deals with individual cases. Furthermore, the Dept. actively collects information through participation in training sessions held by external organizations.

V. Other

1. Adoption of Takeover Defense Measures

Adoption of Takeover Defense Measures	Established

Supplementary Explanation for Applicable Items **Updated**

(1) Basic Policy Regarding the Person Controlling Decisions Relative to Policies for Our Finances and Business

JAPEX considers that the person controlling our financial and business policy decisions should fully understand the content of our finances and business and the source of our corporate value, and is eligible to protect and enhance corporate value and ultimately the shareholders' common interests in a continuing, sustainable manner.

JAPEX believes the decision on an acquisition proposal which is associated with the transfer of corporate control should ultimately be made based on the collective will of our shareholders. Furthermore, JAPEX does not disapprove of large-scale share acquisition that contributes to our corporate value and ultimately the shareholders' common interests.

Nevertheless, among large-scale share acquisitions, there are many that do not contribute to the corporate value and the shareholders' common interests, in light of their purpose, including such that cause a clear infringement on the corporate value and the shareholders' common interests, such that has the risk of a de facto coercion against the shareholders to sell their shares, such that does not provide sufficient time and/or information for the Board of Directors and the shareholders consideration of the content of the large-scale share acquisition or for the Board of Directors to propose an alternative plan, and such that require consultation and negotiation with the acquirer to draw out a more favorable condition than the conditions presented from the acquirer.

The large-scale share acquirer should understand the source of our corporate value, not to mention the content of JAPEX's finances and business, and unless such acquirer protects and enhances them over medium to long term, our corporate value and ultimately the shareholders' common interests will be damaged.

JAPEX considers such a large-scale acquirer that does not contribute to our corporate value and the shareholders' common interests inappropriate as the controlling person to determine the policies of our finances and business, and thus consider necessary to protect our corporate value and ultimately the shareholders' common interests by taking essential and reasonable measures against such attempts.

(2) Overview of the Measures to Prevent Large-scale Acquisition of Our Company Shares (Takeover Response Policy)

1. Purpose
The measures aim to deter takeovers that run counter to our corporate value and the shareholders' common interests, protect and enhance our corporate value and the shareholders' common interests, through securing sufficient information and time necessary for the appropriate decision-making of shareholders alongside securing the opportunity to negotiate with the acquirers, in the event of large-scale acquisition of our company shares.

2. Fundamental Structure
JAPEX adopts pre-warning type takeover response policy where we establish procedures with which a person who intends to acquire 20% or more of our shares should comply and warn in advance that we may take countermeasures if the person fails to comply with such procedures or our corporate value and the shareholders' common interests are deemed to be impaired (a Prior Warning-type).

3. Procedures for Introduction
JAPEX introduced takeover defense measures after obtaining approvals for a proposal to amend the Articles of Incorporation to provide a statutory basis for the introduction, etc. of takeover defense measures (a matter requiring a special resolution) as well as a proposal regarding the details of takeover defense measures (a matter requiring an ordinary resolution) at the 38th Ordinary General Meeting of Shareholders held on June 25, 2008. Then, JAPEX partially amended the takeover defense measures, including its name change to the takeover response policy, and obtained approval for a proposal regarding the renewal thereof (a matter requiring an ordinary resolution) at the 56th Ordinary General Meeting of Shareholders held on June 23, 2026.

4. Effective Period
The effective period shall be until the conclusion of the Ordinary General Meeting of the Shareholders relating to the last fiscal year ending within three years after the conclusion of the 56th Ordinary General Meeting of Shareholders held on June 23, 2026.

5. Procedures for Implementation
a. An acquirer shall submit the Intent Statement that is legally binding and includes covenant wording, etc., that expresses the intention to comply with the procedures set forth in the takeover defense measures. Within 10 business days after receiving the Intent Statement, JAPEX shall request the acquirer to submit the Acquisition Statement with necessary

information.

b. The Board of Directors shall evaluate the acquirer's proposal, consider alternatives, and so on (45 days).
c. The Independent Committee shall weigh the proposal of the acquirer and the business plan of the Board of Directors, review the alternatives presented by the Board of Directors, and so on while negotiating and discussing with the acquirer (45 days. The period may be extended by up to 30 days on reasonable grounds).
d. The Independent Committee shall consider whether or not the acquirer's conduct could damage corporate value or the shareholders' common interests (when damaged, the extent of damage), etc. and recommend implementation or non-implementation to the Board of Directors (the Committee may recommend implementation subject to prior or subsequent approval of shareholders).
e. With regard to implementation, the Board of Directors shall, in principle, convene a general meeting of the shareholders (hereinafter the "General Meeting of the Shareholders for Decision Hearing") to hear the shareholders' decision.
f. In the case the General Meeting of the Shareholders for Decision Hearing is held, the Board of Directors shall make a resolution based on the resolution of the General Meeting of the Shareholders for Decision Hearing. In the case where the General Meeting of the Shareholders for Decision Hearing is not held, the Board of Directors, as a body under the Companies Act, shall pass a resolution, respecting to the maximum extent any recommendation of the Independent Committee.

6. Establishment of the Independent Committee

JAPEX establishes the Independent Committee consisting of Outside Directors, Outside Audit & Supervisory Board Members, and outside experts in order to eliminate arbitrary decisions by the Board of Directors and enhance the objectivity of judgment on whether or not countermeasures should be implemented.

The Members of the Independent Committee are as follows:
YAMASHITA Yukari, Outside Director of JAPEX
WADA Masaki, Outside Director of JAPEX
KAWAKITA Chikara, Outside Audit & Supervisory Board Member of JAPEX

7. Countermeasures

The allotment of share options without contribution outlined in 8. below will be implemented to dilute the acquirer's equity by issuing new shares to all shareholders other than the acquirer.

8. Overview of the Allotment of the share options without contribution

a. Number of the share options

The number shall be equal to the total number of shares issued (excluding treasury shares) as of a certain date (hereinafter the "Allotment Date") otherwise determined by resolution of a general meeting of shareholders or the Board of Directors (hereinafter the "Resolution").

b. Shareholders eligible for allotment

Shareholders other than JAPEX as of the Allotment Date

c. Effective date

The effective date shall be otherwise decided by the Resolution for the allotment of share options without contribution.

d. Number of shares subject to the share options

The number of shares subject to each share option shall be, in principle, one share.

e. Period of exercise

The period shall be otherwise determined by the Resolution for the allotment of share options without contribution within the range of one to six months.

f. Conditions of exercise

Any person who intends to acquire 20% or more of our share certificates (hereinafter collectively the "Unqualified Persons") may not exercise the share options.

g. Acquisition of the share options by JAPEX

JAPEX may at any time acquire all the share options without contribution on a date otherwise specified by the Board of Directors until the day before the commencing date of the period of exercise.

JAPEX may, upon the date otherwise prescribed by the Board of Directors, acquire all the share options held by persons other than the Unqualified Persons, which are not exercised, and deliver shares in exchange for such unexercised share options.

JAPEX may, upon the coming of the date otherwise prescribed by the Board of Directors that is after the effective date of the allotment of the share options without contribution, acquire all the share options held by the Unqualified Persons, and in exchange for such share options, may deliver as consideration the share options in the same number as the share options to be acquired that are in principle not permitted to be exercised by the Unqualified Persons. Details of such share options shall be prescribed in the Resolution for the allotment of share options without contribution.

2. Other Matters Concerning the Corporate Governance System

○ Overview of Timely Disclosure System

JAPEX adopts the following system for handling facts about our operations, business and assets that have a significant effect on investment decisions of investors (hereinafter “Material Fact(s)”) to ensure the timely and appropriate disclosure of Material Facts.

1. Aggregation of Information on Material Facts

The Internal Information Management Regulations specify a supervising department and define the time of occurrence/decision for each Material Fact (corporate decisions, occurrences of material facts, financial information, or facts concerning subsidiaries). Information on such facts is collected by promptly notifying the Corporate Communication Office, which is responsible for information management and disclosure, from each supervising department.

2. Disclosure of Material Facts

(1) Information Management and Prompt Disclosure

The Corporate Communication Office is responsible for determining the timing of disclosure, compiling the content of disclosure, and conducting disclosure in a consistent manner in order to prevent leaks of aggregated information before disclosure and to ensure prompt disclosure. If there is any doubt on the decisions whether or not a matter constitutes a Material Fact, the decision will be promptly made by the officer in charge of the Corporate Communication Office who is responsible for handling the information.

(2) Assurance of the Appropriateness of the Disclosure Content

The content of disclosure is determined through appropriate internal procedures by the department in charge of handling Material Facts and is disclosed by the Corporate Communication Office.

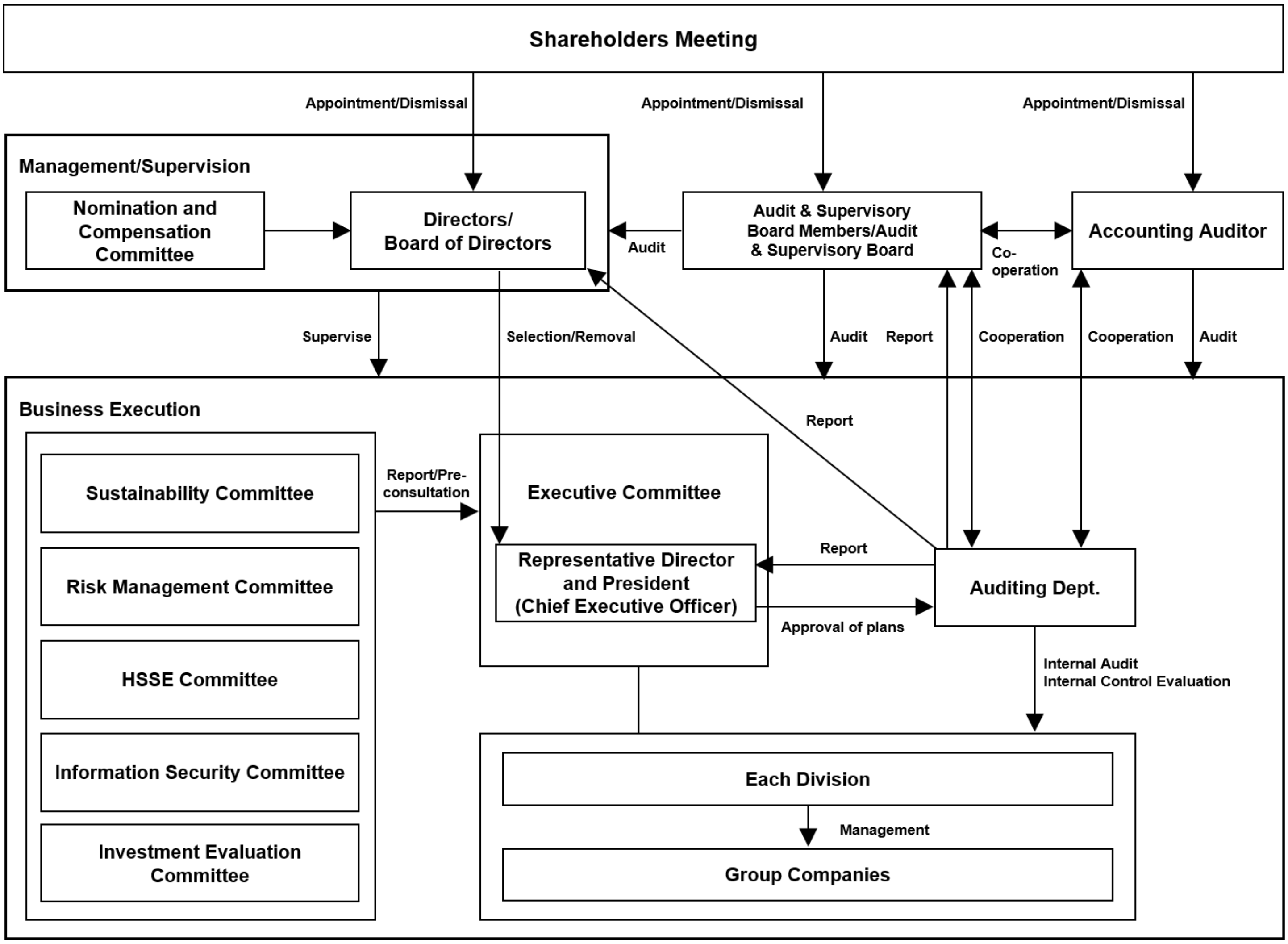
(3) Fair Disclosure

JAPEX discloses Material Facts through TDnet, press release for press clubs, and on our website simultaneously in order to provide many stakeholders with wider access to information.

The Internal Information Management Regulations stipulates how to collect and disclose information on Material Facts to thoroughly implement the handling mentioned above.

End

A schematic diagram of the corporate governance structure is shown below.



Skill Matrix

(Note) The following table shows major skills of each person with a circle mark and does not indicate all of the knowledge, experience and abilities possessed by each person.
Corporate management includes management experience in organizations or groups other than companies.

No.	Name	Position	Corporate management	Finance, accounting, and tax	Legal and risk management	Personnel strategies and diversity	ESG and sustainability	Energy industry-related knowledge	Global business	Technology and DX
1	FUJITA Masahiro	Representative Director and Chairman	✓		✓	✓	✓	✓	✓	
2	YAMASHITA Michiro	Representative Director and President	✓	✓	✓	✓	✓	✓	✓	
3	NAKAJIMA Toshiaki	Representative Director	✓	✓	✓		✓	✓		✓
4	YAMADA Tomomi	Director						✓	✓	✓
5	FUNATSU Jiro	Director			✓	✓	✓	✓		
6	NAKANO Masanori	Director	✓					✓		✓
7	YAMASHITA Yukari	Outside Director				✓	✓	✓	✓	✓
8	SUGIYAMA Yoshikuni	Outside Director	✓		✓	✓	✓	✓		
9	KAKIGI Koji	Outside Director	✓		✓	✓	✓	✓	✓	
10	WADA Masaki	Outside Director			✓		✓			
11	MIMURA Akiko	Outside Director			✓	✓	✓			
12	ASAI Masaru	Audit & Supervisory Board Member		✓	✓			✓		
13	YOSHIDA Kosei	Audit & Supervisory Board Member						✓	✓	✓
14	KAWAKITA Chikara	Outside Audit & Supervisory Board Member	✓	✓	✓					
15	KATO Yoshitaka	Outside Audit & Supervisory Board Member	✓	✓	✓					