


CSR Action Plan Targets and Achievements (fiscal 2021 - 2022)

The JAPEX Group Five Core CSR Themes "SHINE"	S	Stable and sustainable energy supply
	H	HSE as our culture
	I	Integrity and governance
	N	Being a good Neighbor
	E	The Employer choice

[Achievement Evaluation] ○...Achieved (100% and above) △...Generally achieved (80% and above-under 100%) ×...Insufficiently or not achieved (under 80%)

JAPEX Core CSR Themes	Challenges	Fiscal 2021 Action Plans and Targets	Fiscal 2021 Achievements	Evaluation	Fiscal 2022 action Plans and Targets
S Stable and sustainable energy supply	Stable Energy Supply	Promote initiatives for stable and sustainable energy supply in the E&P business.	<ul style="list-style-type: none"> Continued production of oil and natural gas at all production sites. Implemented additional and new development in Japan (Yufutsu Oil and Gas Field, Katakai Gas Field, etc.) and overseas (Seagull Offshore Block in the British North Sea, Iraq Garraf Oil Field, etc.). Some plans were not achieved. Newly acquired interests in tight oil development in the United States. 	△	<ul style="list-style-type: none"> Promote E&P business for stable supply of oil and natural gas Promote I/U business for stable supply of gas and electricity Promote DX based on business challenges
		Stable supply of electricity from Fukushima Gas Power plant	<ul style="list-style-type: none"> Provided a stable electricity supply throughout the year and achieved unplanned outage rate targets. Power generation was temporarily suspended for safety confirmation following the earthquake off the coast of Fukushima Prefecture on March 16, 2022. However, power supply continues through procurement from the wholesale electricity market and other means. 	○	
		Achieve zero disruption to the supply of natural gas	<ul style="list-style-type: none"> The Soma LNG terminal was temporarily suspended for safety confirmation following the earthquake off the coast of Fukushima Prefecture on March 16, 2022. However, the gas supply was switched to that from other sites, and no supply disruptions to customers occurred. Gas supply to the adjacent Fukushima Gas Power Plant resumed from the Soma LNG terminal on March 19 after safety was confirmed. Achieved zero supply disruption to customers other than the above earthquake due to ongoing efforts to ensure stable supply through daily security activities and regular maintenance. 	○	
		DX promotion: Consideration of operational efficiency through machine learning and big data analysis	<ul style="list-style-type: none"> Implemented multiple measures as follows. Continued to study in the next fiscal year, although some plans were not achieved. <ul style="list-style-type: none"> Implemented a process safety evaluation and a system to support facility improvement progress management on a trial basis. Utilized AI in predictive maintenance of production facilities. Introduced tablets for recording patrols at operation sites. 	△	
	Development of new technologies	Promotion of technology development for early commercializing of CCS/CCUS (Carbon Dioxide Capture, Utilization, and Storage)	<ul style="list-style-type: none"> Evaluated underground storage of CO2, including existing oil and gas fields, and studied suitable storage sites, cost reduction, and more. 	○	
		Continue to develop technology for the Ayukawa Onagawa tight oil formation through joint research with Japan Oil, Gas and Metals National Corporation (JOGMEC). Continue development of well stimulation techniques for oil and gas upgrading of domestic tight reservoirs.	<ul style="list-style-type: none"> Formulated a test plan jointly with JOGMEC to implement the demonstration test in FY2022. 	○	
		Continue measures toward commercialization of methane hydrate	<ul style="list-style-type: none"> Drilled a research well by Japan Methane Hydrate Operating Co., Ltd. and acquired data and core samples as planned. 	○	
		Continuing efforts to develop deep sea mineral resources through J-MARES	<ul style="list-style-type: none"> Conducted demonstration test of the deep-sea resource research and development system. COVID-19 caused delays in the delivery of procured equipment from overseas, and part of the demonstration test is scheduled to be conducted in the next fiscal year. 	△	

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<p style="text-align: center; font-size: 2em; color: #FFD700;">S</p> <p>Stable and sustainable energy supply</p>	Climate change response	Promote the study of CCS/CCUS commercialization in Japan and overseas	<ul style="list-style-type: none"> • Developed various activities as follows: <ul style="list-style-type: none"> – Participated as a member of the “CCS Long-Term Roadmap Study Group,” newly established by the Ministry of Economy, Trade and Industry, and offered opinions and suggestions to improve the business environment, including requests to the government. – Participated as a member of the “CCS Promotion Task force” newly established by the Japan Petroleum Development Association, and offered opinions and suggestions to improve the business environment. – Continued feasibility study of a carbon recycling project utilizing inter-industry connections in the Tomakomai area, including the Yufutsu oil and gas field in Hokkaido. – Started the CO2 effective utilization project in Niigata-area centered, utilizing the Higashi-Niigata gas field. – Participated in the feasibility assessment of the CCUS project using bilateral credits in the Sukawati oil field in Indonesia. – Participated in CCS feasibility study in Malaysia. 	○	<ul style="list-style-type: none"> ● Promote CCS/CCUS commercialization studies in Japan and overseas ● Achieve our GHG emission reduction target <ul style="list-style-type: none"> – FY2022 target based on the JAPEX 2050: 10% reduction in GHG emission intensity (Scope 1+2) compared to FY2019 – FY2019 emission intensity: 3.97 ton-CO2/TJ – Reduce emissions to achieve the 2030 GHG emission reduction target set by the Japan Petroleum Development Association based on the Nippon Keidanren Carbon Neutral Action Plan ● Promote efforts to commercialize renewable energy power generation businesses (biomass, offshore wind power, etc.) ● Contribute to a low-carbon society by promoting the use of natural gas
		Achieve our GHG emission reduction target (Scope 1+2) for FY2021: 7% reduction in GHG emission intensity compared to FY2019 (FY2019 emissions intensity: 3.97 ton-CO2/TJ; FY2021 emissions intensity target: 3.69 ton-CO2/TJ)	<ul style="list-style-type: none"> • Emission reduction activities, such as reduction of methane gas atmospheric emissions and energy-saving activities, resulted in a basic unit of 3.20 ton-CO2/TJ, a 19% reduction from FY2019, achieving the target. 	○	
		Conduct measures for reduction of GHG emissions according to a Low Carbon Society initiative.	<ul style="list-style-type: none"> • Actual GHG emissions at the sites subject to the Japan Petroleum Development Association target decreased by 17,000 tons (about 10%) from the previous fiscal year due to reduced venting and flaring at each site. The results also decreased by 47,000 tons (about 24%) from the base year of the 2030 target. 	○	
		Consider commercialization of various renewable energy power generation businesses (solar power, wind power, biomass, etc.)	<ul style="list-style-type: none"> • Promoted efforts to commercialize the following renewable energy generation projects: <ul style="list-style-type: none"> – PHOTON Sustainable Solar Investment Project – Chofu Biomass Power Generation Project – Abashiri Biomass Power Generation Project – Ozu Biomass Power Generation Project – Tahara Biomass Power Generation Project 	○	
		Contributing to a low-carbon society by promoting the use of natural gas	<ul style="list-style-type: none"> • Promoted penetration by capturing demand through solution sales for fuel conversion and introduction of cogeneration systems, etc. Contributed to a reduction of CO2 emissions as well as chemical emissions such as NOx and SOx through fuel conversion from heavy oil. 	○	
		Forest maintenance activities in our operating area	<ul style="list-style-type: none"> • Continued forest maintenance activities in our domestic operating areas. 	○	

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 HSE as our culture	Occupational health and safety	Reduction of serious accidents rate (Average ratio -10% over the last 3 years) – Lost Time Injury Frequency (※1) : 0.18 – Total Recordable Injury Rate (※2) : 1.42 ※1 Lost Time Injury Frequency: Calculated as the number of lost time injuries per 1,000,000 work hours. ※2 Total Recordable Injury Rate: Calculated as the number of total recordable injuries per 1,000,000 work hours.	<ul style="list-style-type: none"> Achieved the following results and targets due to continued safety activities: Lost Time Injury Frequency: 0.00 Total Recordable Injury Rate: 0.88 	○	<ul style="list-style-type: none"> Promote efforts based on the Medium-term HSE Plan Reduce the domestic and occupational accident rate (Average rate -10% over the last three years) – Lost Time Injury Frequency: 0.09 – Total Recordable Injury Rate: 0.88
		Enhancement of education for strengthening and fostering HSE culture	<ul style="list-style-type: none"> Conducted various training and process enhancements as follows: – HSE education for new employees and new managers – HSE leadership education – Arrangement of the HSE education system and qualification requirements 	○	
		Maintenance of process safety documentation and implement safety studies	<ul style="list-style-type: none"> Implemented document maintenance and safety studies as planned. Also provided practical training on risk assessment at each site. 	○	
		Initiatives to strengthen the HSE management for contractors	<ul style="list-style-type: none"> Started operation and management based on HSE specifications (simplified version) for small- and medium-scale contract work. Planned and implemented the expansion of related rules and reinforcement of management systems, but some plans were not achieved. 	△	
		Enhancement of HSE governance of JAPEX Group	<ul style="list-style-type: none"> Postponed overseas HSE audits in FY2021 due to the COVID-19 impact but established a policy for HSE evaluation of overseas investment projects. 	△	
	Preserving biodiversity and ecosystems	Continue measures to maintain a 45% reduction in VOC emissions compared to the base year (2000)	<ul style="list-style-type: none"> VOC emissions decreased by about 31% compared to the previous fiscal year due to control of atmospheric emissions at production mines, but only 37% decrease compared to the base year. 	△	<ul style="list-style-type: none"> Continue efforts to maintain a 45% reduction in VOC emissions compared to the base year (FY2000) Conduct water stress assessments in our operating areas Promote efforts to reduce water consumption Promote efforts to reduce waste Continue to earn the Blue ranking in the Performance Level Evaluation Program (PROPER) of the Indonesian Ministry of Environment by KEI
		Reduce emission of specified chemical substances such as BTX (Compared to the previous fiscal year) Conduct water stress assessments in our operating area	<ul style="list-style-type: none"> Emissions of specified chemical substances decreased by about 22% compared to the previous fiscal year due to control of atmospheric emissions at production mines. 	○	
		Conduct water stress assessments in our operating area	<ul style="list-style-type: none"> Completed water risk assessment for areas where development and production sites operating as operators are located. The assessment results indicated that there are no operational sites in areas of high water stress. 	○	
		Keep water recycling rate of 90% or more for SAGD operations at the Canada Oil Sands Project	<ul style="list-style-type: none"> Achieved a water recycling rate of about 99%, maintaining the target of 90% or higher. * The period covered is from January to August 2021 until the end of the project. 	○	
		Continue to earn the Blue ranking in Performance Level Evaluation Program of the Indonesian Ministry of Environment by KEI	<ul style="list-style-type: none"> Earned the Blue ranking for ten consecutive years by continuing environmental activities. 	○	
	Preserving biodiversity and ecosystems	Continue efforts in creating positive impact in protected areas	<ul style="list-style-type: none"> Continued maintenance and monitoring of mangrove forests planted in FY2020 for environmental protection around Pagerungan Island, Indonesia. 	○	<ul style="list-style-type: none"> Continue efforts to create a positive impact in protected areas Continue efforts to reduce negative impact at operating sites and surrounding areas
		Continue efforts to reduce negative impact at operating sites and surrounding areas	<ul style="list-style-type: none"> Continued implementation of measures and monitoring based on the results of biodiversity risk assessment in each operational area. Implemented wildlife monitoring activities with the local communities (IAG) through JACOS, Canada. * IAG: Indigenous Advisory Group * The period covered is from January to August 2021 until the end of the project. 	○	

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Integrity and governance	Governance	Strengthen a highly efficient and transparent corporate governance system	<ul style="list-style-type: none"> Selected the prime market in the new listing category of the Tokyo Stock Exchange, Inc. Enhanced the corporate governance report, including the skill matrix of directors and others. Implemented initiatives to improve effectiveness, such as enhancing discussions on management plans at the Board of Directors meetings. 	○	<ul style="list-style-type: none"> Strengthen our corporate governance system Promote company-wide risk management Strengthen information security and promote the protection of personal information
		Development and promotion of Enterprise Risk Management (ERM) Framework	<ul style="list-style-type: none"> Implemented company-wide risk management, including regular progress management of major projects by the Risk Management Committee and reporting of business risk assessments to the Board of Directors after deliberations by the Risk Management Committee. 	○	
		Thoroughly disseminate information security and achieve zero serious information security accidents (Personal information protection, IT-related information leakage)	<ul style="list-style-type: none"> Continued achievement of 0 critical information security incidents related to confidential information and IT by implementing audits on protecting personal information, disseminating internal guidelines, and conducting training. 	○	
	Crisis Management	Continue to strengthen the Business Continuity Plan (BCP) <ul style="list-style-type: none"> Continuous review of BCP (earthquake, new influenza, COVID-19 pandemic) Implementation of various disaster drills Strengthening the effectiveness of a company-wide disaster prevention system based on our BCP 	<ul style="list-style-type: none"> Reviewed the business continuity plan, but some plans were not achieved. Implemented disaster drills and strengthened internal processes as planned. Agreed on BCP linkage with ten consolidated subsidiaries. Participated in an externally sponsored cyber security liaison training session. 	△	<ul style="list-style-type: none"> Continue to strengthen the Business Continuity Plan (BCP) Implement measures against COVID-19 Strengthen cyber security response Continue overseas security response
		Response to COVID-19 pandemic	<ul style="list-style-type: none"> Reviewed our action plan as necessary to respond to government policy changes, etc. Took appropriate measures against infected people to prevent clusters from occurring. 	○	
		Continue overseas security response <ul style="list-style-type: none"> Achieve zero inadequate response on the occasion of overseas security accident Continue security measures in the Iraq Garraf Project Establishment of Company policy on physical security (facility security, traveling security, and staff security) 	<ul style="list-style-type: none"> Achieved zero inadequate response on the occasion of overseas security accidents due to earthquakes, etc. Due to the temporary evacuation and return of expatriate staff following the COVID-19 impact, the planned physical security policy establishment was not completed. 	△	
	Compliance	Conduct measures to deter compliance violations <ul style="list-style-type: none"> Achieve zero insider transactions Achieve zero bribery incident Appropriate operation of reporting / consultation system and regular in-house dissemination 	<ul style="list-style-type: none"> Continued to achieve zero insider transactions and bribery incidents through implementing compliance training, including at group companies. 	○	<ul style="list-style-type: none"> Ensure compliance Promote efforts to respect human rights
		Fair transactions, thorough creation of competitive environment	<ul style="list-style-type: none"> Realized fair trade and competitive environment, with 100% quotations (excluding exceptions) and at least ten quotations per year from new contractors. 	○	
		Initiatives of Respect for Human Rights <ul style="list-style-type: none"> Disclose the Modern Slavery Act Statement Develop internal processes for respecting human rights Efforts to create a work environment free from harassment 	<ul style="list-style-type: none"> Disclosed the Modern Slavery Act Statement as planned. Conducted an internal process survey as planned in light of international norms and guidelines on respect for human rights, identified issues, and formulated an improvement plan for the next fiscal year. To prevent harassment, issued an e-mail magazine for all employees (five times against the target of six times) and conducted internal training (three times against the target of three times per year). 	△	

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<p style="text-align: center; font-size: 2em; color: purple;">N</p> <p>Being a good Neighbor</p>	<p style="text-align: center;">Growing together with stakeholders</p>	<p>Make contributions to local communities and engage in social activities in regions where we operate and conduct overseas projects</p> <ul style="list-style-type: none"> – Continue cooperation with local communities and indigenous peoples in Canada's oil sands operating area – Engage in various activities aimed at contributing to the well-being of the inhabitants around Pagerungan Island, Indonesia (providing electrically and water, supporting infrastructure development, implementation of port expansion work, etc.) 	<ul style="list-style-type: none"> • Implemented the following measures in each overseas project. Some measures were not implemented as planned. <ul style="list-style-type: none"> – Canada: Failed to achieve the number of regular meetings as planned due to the COVID-19 impact. <ul style="list-style-type: none"> * The period covered is from January to August 2021 until the end of the project. – Indonesia: Provided electricity and water free of charge, supported infrastructure development, and implemented port expansion work as planned. – Iraq: Worked with operators to donate COVID-19 control supplies to local medical institutions. • Implemented various contribution activities in our domestic operating areas as follows (at each business site): <ul style="list-style-type: none"> – Clean-up of roads around sites, participation in volunteer clean-up activities, support for advertisements, donations, site tours for local entities concerned, participation in local events, ensuring the safety of school children, and continuation of volunteer stand guard, etc. 	△	<ul style="list-style-type: none"> ● Make contributions to local communities and engage in social activities in our domestic and overseas operating areas ● Promote supply chain management ● Promote constructive dialogue with stakeholders
		<p>Initiatives to review procurement policy including CSR elements</p>	<ul style="list-style-type: none"> • Studied reviewing the CSR procurement policy, but some plans were not achieved. • Announced the “Declaration of Partnership Building” in March 2022, promoted by the Ministry of Economy, Trade and Industry regarding compliance with business practices with subcontractors. 	×	
		<p>Promote constructive dialogue with stakeholders</p>	<ul style="list-style-type: none"> • Continued to disseminate information promptly and appropriately in public relations and investor relations activities. • Continued communication with local governments, fishery officials, local residents, and others at each business site and project in Japan and overseas. 	○	
<p style="text-align: center; font-size: 2em; color: magenta;">E</p> <p>The Employer of choice</p>	<p style="text-align: center;">Respecting employee diversity and developing human resources</p>	<p>Implementation of measures to realize action plans based on the Act on Promotion of Women's Participation and Advancement in the Workplace</p> <ul style="list-style-type: none"> – Increase the ratio of female new-graduates to 30% or more 	<ul style="list-style-type: none"> • Increased the rate of female new graduates to 35.3%, achieving the target. 	○	<ul style="list-style-type: none"> ● Promote Diversity Equity & Inclusion (DE&I) Achieve targets based on the DE&I Policy. <ul style="list-style-type: none"> – Rate of female new graduates: 30% or more – Rate of mid-career hires to total hires: 50% or more – Number of female managers: 25 persons or more (Target year: end of FY2025) – Rate of mid-career hires in management positions: Maintain at least 20% (Target year: end of FY2025) – Rate of male employees obtaining childcare leave: 80% or more (Target year: end of FY2025) ● Strengthen human capital management ● Implement human resource development training programs
		<p>Implementation of diversity-related training</p>	<ul style="list-style-type: none"> • Conducted unconscious bias training for employees (four sessions with 223 participants in total) to help them become aware of unconscious distortions in their viewpoints and promote diversity. 	○	
		<p>Implementation of human resource development training programs and professional courses</p>	<ul style="list-style-type: none"> • Implemented most of the training programs, including overseas business skill training, career stage training, and psychological safety training. However, some plans for specialized training for technical employees were not achieved due to the COVID-19 impact. 	△	
	<p style="text-align: center;">Creating a fair and good working environment</p>	<p>Reduce overtime working hours compared with the previous year</p>	<ul style="list-style-type: none"> • Overtime working hours increased slightly compared to the previous fiscal year. The target was not achieved. 	△	<ul style="list-style-type: none"> ● Promote an employee-friendly workplace <ul style="list-style-type: none"> – Encourage employees to take paid leave (foster a culture of taking one day of leave per month and encourage employees to take at least seven consecutive days of leave) ● Promote health management <ul style="list-style-type: none"> – Continuing 100% in the percentage of employees receiving regular medical checkups – Support through health management systems to combat lifestyle-related diseases – Efforts to reduce the number of smokers (implementation of measures to prevent passive smoking) – Efforts to promote women's health
		<p>Increase actual rate of usage of paid leaves - higher than 75%</p>	<ul style="list-style-type: none"> • Actual usage rate of paid leaves reached 81.5%, achieving the target. 	○	
		<p>Initiatives to maintain and improve employee health</p> <ul style="list-style-type: none"> – Achieve an average of at least 8,000 steps per day (40% or more) – Efforts to reduce the number of smokers – Maintaining 100% of employees receiving regular medical checkups 	<ul style="list-style-type: none"> • The results of various initiatives are as follows, with some targets not achieved: <ul style="list-style-type: none"> – Percentage of employees achieving an average of at least 8,000 steps per day: 12% – Number of smokers: 9 smokers down vs. a target of 10 – Percentage of employees receiving regular medical checkups: 100% continued • Certified as an excellent health management corporation for the sixth consecutive year for ongoing implementation of health management initiatives. 	△	