



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

November 25, 2024

Company Name: Japan Petroleum Exploration Co., Ltd. (JAPEX)
Securities Code: 1662 (Prime Market of the Tokyo Stock Exchange)
Representative: YAMASHITA Michiro, Representative Director and President
Inquiries: Corporate Communication Office
TEL: +81-3-6268-7111

Introduction of "Special Incentive Scheme (Disposal of Own Shares)"

Japan Petroleum Exploration Co., Ltd. (JAPEX) hereby announces that its Board of Directors, at a meeting held today, resolved to introduce an incentive plan (hereinafter the "Scheme") with the aim of increasing the motivation of the JAPEX group's employees (hereinafter the "Employees") to enhance medium-to-long-term shareholder value.

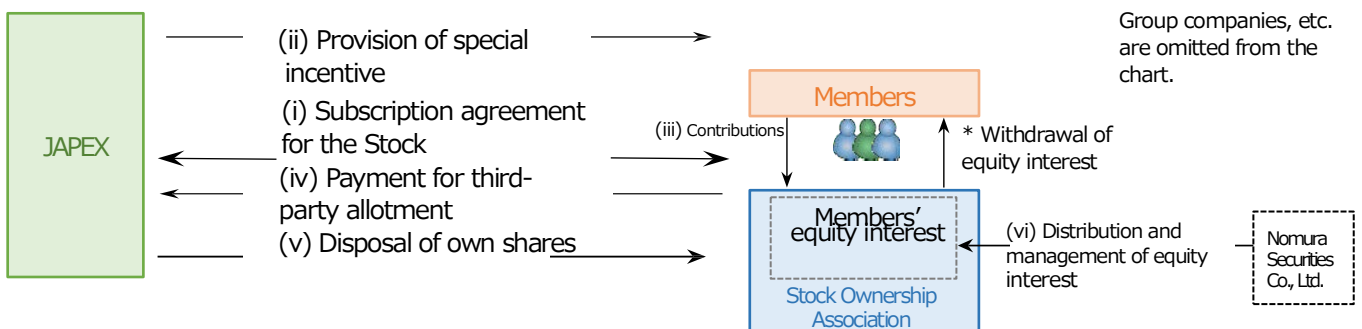
Under the Scheme, the common stocks of JAPEX (hereinafter the "Stock") will be granted as a special incentive to members (hereinafter "Members") of the JAPEX Employee Stock Ownership Association (hereinafter the "Association") through third-party allotment to the Association. For details of the third-party allotment, please refer to "Notice Concerning Disposal of Own Shares through Third-Party Allotment" dated today.

1. Purpose of the Scheme

The JAPEX group grants an incentive to Members with an aim of helping Employees to build their financial assets by holding the Stock and enhancing work motivation. JAPEX will further promote this concept to grant the special incentive to eligible Members and to allot own shares to the Association in exchange for contribution of the special incentive.

The Scheme aims to raise Employees' awareness of participating in management and to increase motivation to enhance medium-to long-term shareholder value. JAPEX believes that, from today onward, the Scheme triggers to encourage Employees who have not yet joined the Association to newly join and more Employees to share medium-to long-term shareholders' value with shareholders.

2. Structure of the Scheme



- (i) JAPEX enters into a stock subscription agreement for disposal and subscription of own shares with the Association.
(ii) JAPEX provides a special incentive to Members.
(iii) Members contribute the provided special incentive to the Association.
(iv) The Association collects the special incentive contributed by Members and pays for the third-party allotment of shares.

(v) JAPEX disposes of own shares to the Association.

(vi) The Stock allotted are distributed to and managed for Members' equity interest in the Association by Nomura Securities Co., Ltd., to which the Association entrusts the stock administration.

\* Members may withdraw the Stock allotted arbitrarily to brokerage accounts in their individual names.

### 3. Granting of the Stock under the Scheme

Following the introduction of the Scheme, JAPEX resolved at the Board of Directors meeting held today to dispose of 472,500 shares (equivalent to 515,025,000 yen) of 513,430 shares of own shares held (as of September 30, 2024) to the Association. An outline of the Association to which the allotment is to be made is as follows.

Note) The "number of own shares" reflects the results of the stock split (5 shares per share of common stock) implemented on October 1, 2024, and stated the numbers, which reported from the shareholder register administrator as of September 30, 2024, multiplied by the split ratio of 5.

- (1) Name : JAPEX Employee Stock Ownership Association
- (2) Address : 1-7-12 Marunouchi, Chiyoda-ku, Tokyo
- (3) President : Aya Kizaki
- (4) Number of shares held : 511,255 (as of November 20, 2024)
- (5) Shareholding ratio : 0.20% (ratio to the number of issued shares)

JAPEX also filed a Securities Registration Statement today pursuant to the Financial Instruments and Exchange Act. The number of shares to be disposed of (the number of shares to be offered) stated in the Securities Registration Statement is the maximum number of shares assumed if all the Employees joined the Association. The Association will hold a promotion for Employees to invite prospective members to join the Association with a sufficient notice period, following a resolution at its Board of Directors' meeting held today. Accordingly, as there may be a small number of Employees who will not actually join the Association or who will terminate the Association due to retirement, the number of eligible persons may be less than the maximum number assumed. The number of shares to be disposed of (number of shares to be offered) and the total amount to be disposed of (total amount to be paid in) will be announced as soon as fixed following the determination of eligible number of persons.

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