

CSR Action Plan Targets and Achievements (Fiscal 2023 - 2024)

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 of choice

Materiality	Stable energy supply
	Establishment of CN business
	Promotion of HR development and diversity
	Digital transformation (DX)



JAPEX Core CSR themes	Challenges	Fiscal 2023 Action Plans and Targets	Fiscal 2023 Achievements	Fiscal 2024 Action Plans and Targets	Materiality	
<p>Stable and sustainable energy supply</p>	Stable energy supply	Promote E&P business for stable supply of oil and natural gas	<ul style="list-style-type: none"> Acquisition of additional well interests in tight oil development project in U.S. (May & Dec) Capital participation in a subsidiary of Longboat Energy PLC which promotes exploration and development in offshore Norway (May). Started production of crude oil and natural gas at the Seagull project in U.K. North Sea (Nov). Continued measures toward achieving 230,000 barrels per day at Garraf Oil Field in Iraq. Addressed energy demand in Eastern Java, Indonesia. Additional development of Katakaigas field in Niigata: Started production of the first well (Dec) / Drilling the second well 	<ul style="list-style-type: none"> Promote E&P business for stable supply of oil and natural gas 	Stable energy supply	
		Promote I/U business for stable supply of natural gas and electricity	<ul style="list-style-type: none"> Electric power sold: 3.5 billion kWh In response to an incident in which the gas supply was disrupted due to a malfunction of gas supply equipment, preventive measures were studied and thoroughly implemented. 	<ul style="list-style-type: none"> Promote I/U business for stable supply of natural gas and electricity 		
		Promote DX based on business challenges	<ul style="list-style-type: none"> Established a DX promotion roadmap to promote the three main areas of DX promotion: strengthen DX promotion system, establish an integrated database, and provide advanced digital education <ul style="list-style-type: none"> Strengthen DX promotion system: Integrated Information Technology Dept. and Corporate Strategy Dept. (Oct) Establish an integrated database: Promoted business process restructuring under the policy of information centralization and business optimization Provide advanced digital education: 96 employees have taken the course against the plan to educate approx. 250 by FY2025 	<ul style="list-style-type: none"> Promote DX based on business challenges 	DX	
	<p>Stable and sustainable energy supply</p>	Development of new technologies	Promote technology development for early commercializing of CCS/CCUS	<ul style="list-style-type: none"> Continuously evaluated CO2 underground storage capacity, including existing oil and gas fields, and studied suitable storage sites, well specifications, monitoring specifications, storage costs, etc. Received the Best Presentation Award from the Society of Exploration Geophysicists of Japan for the presentation on the evaluation of CCS shielding layers. Registered two patents on CCS-related technologies. 	<ul style="list-style-type: none"> Promote technology development for early commercializing of CCS/CCUS 	Establishment of CN business
			Continue to develop technology for Onnagawa Formation in Ayukawa Oil Field through joint research with JOGMEC. Expand into Akita tight oil and other tight reservoir development in Japan	<ul style="list-style-type: none"> Was selected by JOGMEC for the FY2022 Joint Research Project on Acid Treatment of Onagawa Tight Oil Formation (Research Topic: Demonstration Test for Increased Production Recovery of Tight Oil Formation by Acid Treatment) and submitted the results to JOGMEC. 	<ul style="list-style-type: none"> Pursue well stimulation techniques for domestic tight reservoir development (including Akita tight oil) through joint research with JOGMEC 	
			Continue efforts toward commercialization of methane hydrate	<ul style="list-style-type: none"> Conducted exploratory drilling and simple production experiments offshore Shima Peninsula under contract through Japan Methane Hydrate Operating Co., Ltd. 	<ul style="list-style-type: none"> Continue efforts toward commercialization of methane hydrate 	
			Continue efforts to develop deep sea mineral resources through new Horizon Ocean Research & Technology Co.,Ltd.	<ul style="list-style-type: none"> Conducted SIP3 work for the practical application of deep-sea survey technology, production systems, and environmental survey technology under contract through new Horizon Ocean Research & Technology Co., Ltd. 	<ul style="list-style-type: none"> Continue efforts to develop deep sea mineral resources through new Horizon Ocean Research & Technology Co.,Ltd. 	
	<p>Stable and sustainable energy supply</p>	Climate change response	Promote CCS/CCUS commercialization studies in Japan and overseas	<ul style="list-style-type: none"> Overseas <ul style="list-style-type: none"> Launched our first concrete CCS commercialization study in a systematically advanced overseas country by capital participation in Blue Spruce Operating LLC of the U.S. (Oct) CO2 injection field test at Sukowati field in Indonesia (Dec). Signed a storage site agreement with PETRONAS to develop the CCS project in Malaysia (Feb). Domestic <ul style="list-style-type: none"> CCS Studies in Tomakomai Area and East-Niigata Area were commissioned as the "Business Feasibility Study on Japanese Advanced CCS Project" by JOGMEC in FY2023 (Jul&Aug). Held 10 Carbon Neutral Business Promotion Committee meetings. 	<ul style="list-style-type: none"> Promote commercialization of CCS/CCUS in Japan and overseas 	Establishment of CN business
			Achieve our GHG emission reduction targets	<ul style="list-style-type: none"> GHG emission intensity: 3.38 t-CO2/TJ (14.9% reduction) Reduced actual GHG emissions at the sites covered by the Japan Energy Resources Development Association target by 22,000 t-CO2 (11.7%) from the previous year. The main factor was the elimination of problems with equipment. Reduced 34,000 t-CO2 (16.9%) from FY2013, the base year of the 2030 target, by conserving energy, reducing venting and flaring, and so on at each site. * Calculation is based on FY2022 emission coefficient. 	<ul style="list-style-type: none"> Achieve our GHG emission reduction targets Achieve our GHG emission intensity targets (Scope1+2) based on the JAPEX2050 <ul style="list-style-type: none"> FY2019 result: 3.97 t-CO2/TJ FY2023 target: 3.42 t-CO2/TJ (14% reduction) FY2030 target: 2.38 t-CO2/TJ (40% reduction) Reduce emissions to achieve the 2030 GHG emission reduction target set by the Japan Petroleum Development Association based on the Nippon Keidanren Carbon Neutrality Action Plan <ul style="list-style-type: none"> The former Japan Petroleum Development Association changed its name to the Japan Energy Resources Development Association (JERDA) in April 2024. 	
			Scale up the renewable energy business	<ul style="list-style-type: none"> Started supplying electricity derived from renewable energy sources through on-site PPA for JAPEX Group companies (Aug). 	<ul style="list-style-type: none"> Scale up the renewable energy business 	
Contribute to a low-carbon society by promoting the use of natural gas			<ul style="list-style-type: none"> Expanded use of natural gas through solution sales for fuel conversion (from other fuels to natural gas) and introduction of cogeneration systems, etc. 	<ul style="list-style-type: none"> Contribute to a low-carbon society by promoting the use of natural gas 		
<p>HSE as our culture</p>	Occupational health and safety	Promote efforts based on the Medium-term HSE Plan and reduce the domestic and occupational accident rate	<ul style="list-style-type: none"> LTIIF: 0.28 TRIR: 2.53 	<ul style="list-style-type: none"> Promote efforts based on the Medium-term HSE Plan and reduce the domestic and occupational accident rate Zero lost time injuries LTIIF: 0.00 TRIR: 1.00 		
		Continue efforts to maintain a 45% reduction in VOC emissions compared to the base year (FY2000)	<ul style="list-style-type: none"> VOC emissions decreased by about 1.2% compared to the previous fiscal year and decreased by about 37.4% compared to the base year due to control of atmospheric emissions at production mines. 	<ul style="list-style-type: none"> Continue efforts to maintain a 45% reduction in VOC emissions compared to the base year (FY2000) 		
	Pollution prevention and resource recycling	Promote efforts to reduce water consumption	<ul style="list-style-type: none"> Conducted water risk assessment for areas where development and production sites operating as operators are located. Confirmed that there are no operational sites in areas of high water stress. Collected and monitored data on water consumption and conducted study to reduce water consumption. * Water consumptions are disclosed in ESG Performance Data. 	<ul style="list-style-type: none"> Promote efforts to reduce water consumption 		
		Promote efforts to reduce waste	<ul style="list-style-type: none"> Conducted an assessment of the current status of waste volume in terms of recycling rates by vendor and volume by location and by type. * Waste volume is disclosed in ESG Performance Data. 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Maintained earning the Blue ranking by continuing environmental activities. 	<ul style="list-style-type: none"> Continue efforts for KEI to earn the Blue ranking in PROPER 		
Preserving biodiversity and ecosystems	Continue efforts to create a positive impact in protected areas	<ul style="list-style-type: none"> Continued monitoring of mangrove forests planted in 2019 for environmental protection around Pagerungan Island, Indonesia. Continued to plant trees since 2005 at four sites in Hokkaido, Akita, and Niigata prefectures where we have offices, and to provide support for subsequent management. 	<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	<ul style="list-style-type: none"> Began studying the environmental impact of our operations in light of the release of the TNFD guidelines. Held seminars for employees on biodiversity (including water and waste reduction). Continued to take environmental considerations into account in our business areas and surrounding communities. 	<ul style="list-style-type: none"> Continue efforts to reduce negative impact at operating sites and surrounding areas 			

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I Integrity and governance	Governance	Strengthen our corporate governance system	<ul style="list-style-type: none"> Conducted management-level seminars (4 times) and training for newly appointed executive officers. <ul style="list-style-type: none"> Seminar topics: corporate governance, corporate management (organizational leadership), human rights, and generative AI Held liaison meetings for outside officers prior to Board of Directors meetings to share information. Identified improvement measures based on the Board of Directors' effectiveness evaluation and implemented them (3 measures). 	<ul style="list-style-type: none"> Strengthen our corporate governance system 	
		Promote company-wide risk management	<ul style="list-style-type: none"> Held quarterly meetings of the Risk Management Committee and implemented two risk management improvements and one project review. 	<ul style="list-style-type: none"> Promote company-wide risk management 	
		Strengthen information security and promote personal information protection	<ul style="list-style-type: none"> Serious information security incident: 0 Conducted awareness-raising activities for employees regarding personal information protection. 	<ul style="list-style-type: none"> Strengthen information security and promote personal information protection 	
	Crisis management	Continue to strengthen the Business Continuity Plan (BCP) <ul style="list-style-type: none"> Maintain and enhance disaster prevention capabilities (Improvement and enhancement of emergency response capabilities) 	<ul style="list-style-type: none"> Conducted disaster drills: ongoing joint drills between head office and offices/affiliated companies 	<ul style="list-style-type: none"> Continue to strengthen the Business Continuity Plan (BCP) <ul style="list-style-type: none"> Maintain and enhance disaster prevention capabilities (Improvement and enhancement of emergency response capabilities) 	
		Strengthen cybersecurity	<ul style="list-style-type: none"> Cybersecurity education for control systems: 100 % participation rate Conducted a self-assessment using the cybersecurity management visualization tool based on the guidelines of the Ministry of Economy, Trade and Industry (METI) and the Information-technology Promotion Agency, Japan (IPA) to identify issues to be addressed. 	<ul style="list-style-type: none"> Strengthen cybersecurity 	
		Continue overseas security response	<ul style="list-style-type: none"> Established our guidelines for personnel and mobile security among physical security. Inadequate response to overseas security incidents: 0 	<ul style="list-style-type: none"> Continue overseas security response 	
	Compliance	Ensure compliance	<ul style="list-style-type: none"> With in-house training and other efforts, the number of cases of both insider trading and bribery: 0 	<ul style="list-style-type: none"> Ensure compliance 	
Promote efforts to respect human rights		<ul style="list-style-type: none"> Disclosed a statement on the UK Modern Slavery Act (Sep). Conducted human rights due diligence on domestic subsidiaries and affiliates (end of FY2023). Conducted a questionnaire on harassment (2 times during the year) and found that the percentage of those who felt they had been harassed remained almost unchanged from the previous year. 	<ul style="list-style-type: none"> Promote efforts to respect human rights <ul style="list-style-type: none"> Conduct human rights due diligence on overseas group companies and business partners 		
N Being a good Neighbor	Growing together with stakeholders	Make contributions to local communities and engage in social activities in our domestic and overseas operating areas	<ul style="list-style-type: none"> Overseas project Garraf (Iraq) <ul style="list-style-type: none"> Constructed and repaired facilities at schools and other educational facilities, conducted educational campaigns at elementary schools, distributed foods for local events, and donated facilities and equipment to medical institutions. Kangean (Indonesia) <ul style="list-style-type: none"> Built parks, provided support for fisheries and small and mid-sized businesses, improved infrastructure such as mosque renovations, disposed of coastal waste, assisted in economic development, etc. Domestic operating area <ul style="list-style-type: none"> Held site tours for local stakeholders, participated in community events, volunteered to stand guard to ensure the safety of schoolchildren, sponsored advertisements, made donations, 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	<ul style="list-style-type: none"> Implemented CSR procurement questionnaire to suppliers and expanded the number of suppliers interviewed. Ensured and created a fair trading and competitive environment. 	<ul style="list-style-type: none"> Promote supply chain management 	
		Promote constructive dialogue with stakeholders	<ul style="list-style-type: none"> Provided information to the Tokyo Stock Exchange and the press in timely and appropriate manner. Produced and distributed publications. Maintained and created opportunities for dialogue by holding IR site tours for securities analysts and institutional investors as well as IR briefings for individual investors. 	<ul style="list-style-type: none"> Promote constructive dialogue with stakeholders 	
E The Employer of choice	Promotion of HR development and diversity	Promote DE&I <ul style="list-style-type: none"> 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) 	<ul style="list-style-type: none"> Rate of female new graduates: 35.0% Rate of mid-career hires to total hires: 62.7% Number of female managers: 18 Rate of mid-career hires in management positions: 29.0% Rate of male employees obtaining childcare leave: 60.0% Conducted diversity-related training to promote LGBTQ+ understanding. 	<ul style="list-style-type: none"> Promote DE&I <ul style="list-style-type: none"> 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) 	Promotion of HR development and diversity
		Strengthen human capital management <ul style="list-style-type: none"> Promote reskilling and skilling programs (Promote DX education, make use of the learning platform as JAPEX UNIVERSITY, etc.) 	<ul style="list-style-type: none"> Rate of participation in reskilling programs: over 85% Started new upskilling programs and held two programs (M&A Talent Development Program and basic financial courses). * For information on DX education, see "Promoting DX based on business issues" on page 1. Provided specialized training for technical employees (70 sessions during the year). 	<ul style="list-style-type: none"> Strengthen human capital management <ul style="list-style-type: none"> Promote reskilling and skilling programs (Promote DX education, make use of the learning platform as JAPEX UNIVERSITY, continue to implement management personnel development program, etc.) 	Promotion of HR development and diversity
	Creating a fair and good working environment	Promote an employee-friendly workplace	<ul style="list-style-type: none"> Revised the human resources evaluation system from a job qualification grading system to a role grading system based on the roles that one plays. Conducted engagement surveys. Actual usage rate of paid leaves: 84.3% (up 1.1% from the previous year) 	<ul style="list-style-type: none"> Promote an employee-friendly workplace 	Promotion of HR development and diversity; DX
		Make consideration on side jobs/second jobs	<ul style="list-style-type: none"> Began considering the pilot operation of an in-house dual job system (engaging in work outside one's own department through applications to an open position). 	<ul style="list-style-type: none"> Explore and trial an internal dual role system; consider implementing an external side job system 	
		Promote health management	<ul style="list-style-type: none"> Was Selected as one of the "2024 Health & Productivity Stock Selection" for the first time. Was Recognized as "Certified KENKO Investment for Health Outstanding Organization—White 500 enterprise." Was Certified as a "Sports Yell Company 2024." Rate of employees receiving periodic health checkups: Continued to be 100% Conducted training on women's health for managers. Rate of employees receiving stress checks: 92.7% (up 1.6% from the previous year) Decrease in smoker rate from the previous year: 19.7% (Decrease of 1.1% from the previous year) * The percentage of employees within the standard BMI range (age 40 and above) and the percentage of employees receiving a full medical checkup (age 40 and above) will be disclosed on the "Health Management" page of the Company website. 	<ul style="list-style-type: none"> Promote health management 	
		Improve office environment	<ul style="list-style-type: none"> Renovated some areas of the head office to specifications that include elements of activity-based working (ABW) as part of efforts to create an optimal office space, and, calling it a "trial office," conducted a trial operation. Improved materials system with a view to streamlining warehouse management operations. 	<ul style="list-style-type: none"> Improve office environment 	DX