

May 12, 2023

JX Nippon Oil & Gas Exploration Corporation

Announcement of establishment of the philosophy and the roadmap to 2050

JX Nippon Oil & Gas Exploration Corporation (President & CEO: Toshiya Nakahara) is pleased to announce that in formulating our 3rd Mid-Term Management Plan (FY2023-FY2025), we have re-examined our "Mission", "Vision", and "Corporate Strategy", and have established new philosophy. We will continue to develop our business activities based on this philosophy as the cornerstone of our management.

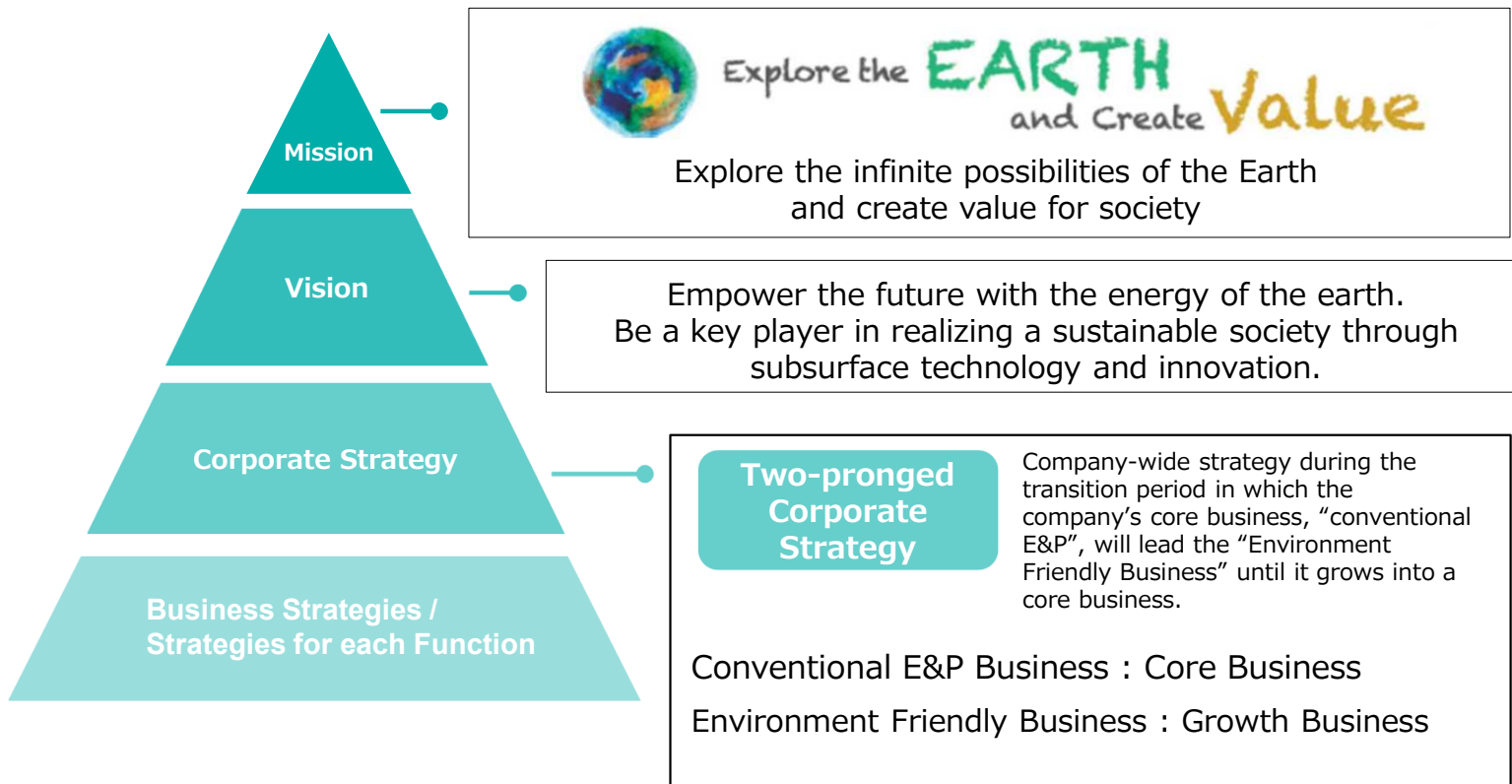
We would also like to announce that we have established the roadmap toward 2050 for our "CCS (Note1) Business," which is an important initiative of the "Environment Friendly Business" in our company-wide strategy, by organizing our past efforts and future prospect.

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(Note 1) CCS: Carbon dioxide Capture and Storage, a technology for capturing CO₂ emissions and storing it underground



Philosophy of JX Nippon Oil & Gas Exploration



Formulation of Corporate Philosophy "Mission"

Since our founding, we have been delivering safe and stable energy to people around the world through subsurface exploration, or in other words, "Explore the Earth". Our internal motto has been "Explore the EARTH and Create Value."

Under the current movement towards decarbonization, we have been reexamining our business and we have come to recognize that our commitment and strength lie in the creation of social value through subsurface exploration. We have therefore decided to adopt this motto as our new corporate philosophy "Mission" as shown in the above pyramid diagram.

Thoughts on "Vision"

We are grateful for the blessings of the Earth and we are now transforming them into the power of the future. Based on our subsurface technology and innovation, we aim to be a key player working towards a sustainable society and a carbon-neutral era by 2050.

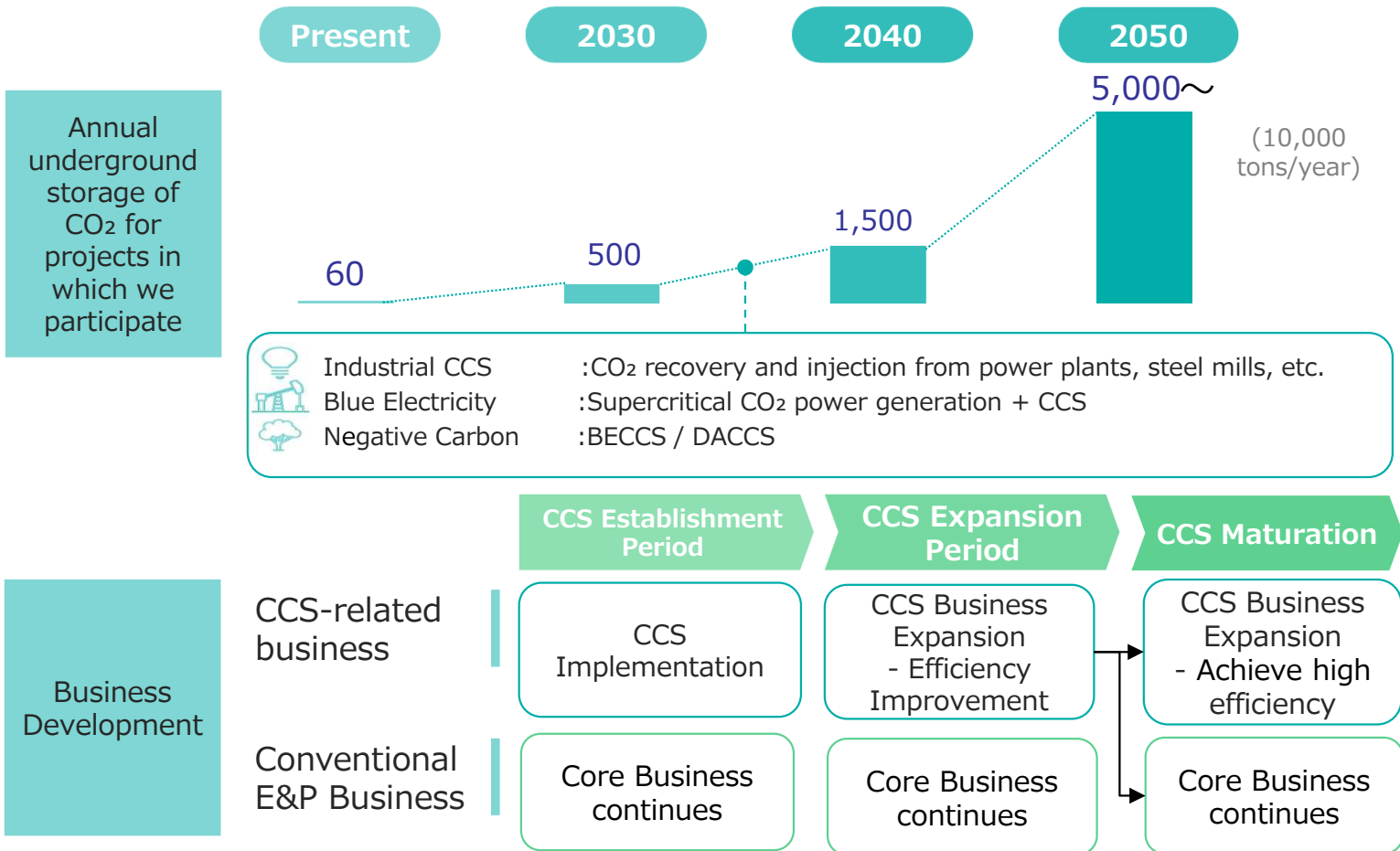
Corporate Strategy: "Two-Pronged" approach

The safe and stable supply of energy is our commitment to society. We will continue to meet such commitment through our core business of oil and gas exploration and production. At the same time, we will utilize the technology and resources acquired from our core business in environment-friendly business centered on CCS.

The "Two-Pronged" approach is a transitional strategy in which our existing oil and gas exploration and production business will provide the seeds and support for our new environment-friendly business until it grows into another core business.

Roadmap to 2050

- Start new CCS projects targeting 5 million tons of CO₂ underground storage by 2030. Build a competitive business advantage by working ahead of competitors.
- Contribute to the realization of a sustainable society by creating diverse business development opportunities centered around CCS.



Roadmap to 2050

As a member of ENEOS group, we will support ENEOS group to achieve the following goals:


- ① By 2030, reduce ENEOS group's greenhouse gas emissions by 46% as compared to 2013.
- ② By 2040, realize carbon neutrality in ENEOS group.

To achieve these goals, we have set challenging annual targets of 5 million tons of CO₂ underground storage by 2030, 15 million tons by 2040, and over 50 million tons by 2050.

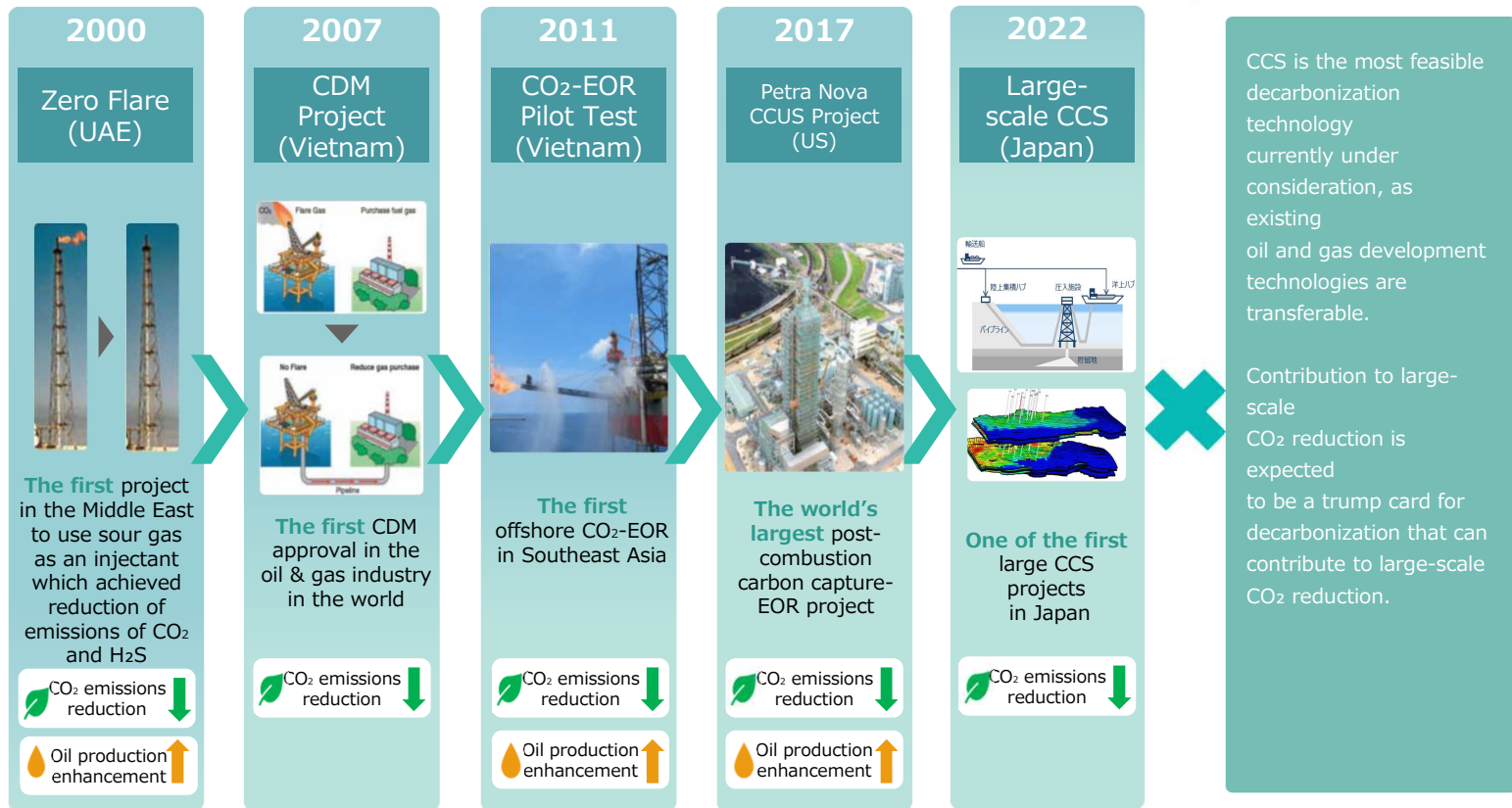
In addition, as a member of society, we will provide stakeholders with CCS/CCUS technologies, with the objective of reducing the massive global CO₂ emissions.

We will continue to explore various business opportunities centered on CCS in order to contribute to the realization of a sustainable society.

Why is JX Nippon Oil & Gas Exploration working on CCS?

 Our decarbonization initiatives

 The future of CCS



Since the early 2000s, we have been a pioneer in environmental measures and global warming prevention, starting with zero flaring of flue emissions in Abu Dhabi, United Arab Emirates, and continuing with the CDM project (Note 1) and CO₂-EOR pilot test (Note 2) in Vietnam.

The Petra Nova CCUS project in the U.S, which started in 2017, captures CO₂ emitted from a coal-fired power plant in Texas, U.S, and injects it into a depleted oil field to reduce CO₂ emissions which had been released into the atmosphere while increasing the field production volume.

The project would not have been profitable if the focus was only on CO₂ storage. Therefore, CO₂ is injected to simultaneously enhance oil recovery and such increased production allowed the project to be successfully commercialized.

The Petra Nova CCUS project is our flagship project demonstrating our subsurface technology and innovative creativity.

CCS/CCUS is expected to be the technology that will contribute most significantly to the realization of a carbon neutral society. We will expand the knowledge we have gained from various projects inside and outside Japan and will continue to lead the way in realizing a sustainable society.

※1
The project reduced the consumption of fuel for power generation plant by supplying associated gas, which used to be burned in crude oil production facilities.
The project was approved as a Clean Development Mechanism (CDM) by the United Nations.

※2
The project conducted jointly with the Japan Organization for Metals and Energy Security (JOGMEC) to verify CO₂-EOR effect (effect of increasing crude oil production)