Japan Petroleum Exploration Co., Ltd. (JAPEX)

Securities Code: 1662 (Prime Market of the Tokyo Stock Exchange)

Summary of Q&A Session in Briefing on Results for the Six Months Ended September 30, 2026 to Institutional Investors and Analysts

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| Date and time: | Friday, November 13, 2026, 11:00–12:00 |
| Location: | Sapia Tower 6F, Station Conference Tokyo, Room 605ABC (in-person and online hybrid conference) |
| Attendance: | 46 attendees (institutional investors and analysts) |

Key Questions and Answers:

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| Q1: | Regarding U.S. tight oil and gas development in the next fiscal year, how much do you expect each of the existing assets, the Verdad assets, and the Fundare assets to contribute, assuming market conditions remain roughly the same as in the current fiscal year? |
| A1: | We expect North America segment profit of approximately ¥41.0 billion for the current fiscal year, comprising approximately ¥8.0 billion from the existing assets held by Japex (U.S.) Corp. (JUS) and approximately ¥33.0 billion from the Verdad assets. For the next fiscal year, although the profit contribution from the existing assets is expected to decline by half, we expect a contribution of approximately $300 million from the Verdad and Fundare assets, with approximately two-thirds from the Verdad assets and one-third from the Fundare assets, on the assumption that production volume from both will grow steadily. We assume an oil price of approximately $70 per barrel, partly because we have hedged a certain portion of our sales volume. |

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| Q2: | What are the factors behind the decrease in net sales from the U.S. tight oil and gas assets compared with the previous forecast? |
| A2: | Following the acquisition of the Fundare assets in August, we reconsidered the combined development plan for the Verdad and Fundare assets. As a result, some operations have been slightly delayed, among other factors, which has led us to expect sales volume to be approximately 4% below the previous forecast. |

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| Q3: | What is the current production volume of the U.S. tight oil and gas assets? |
| A3: | Actual production volume from the existing assets was approximately 17,000 boed last year. As production continues to decline, it is expected to fall to just under 10,000 boed in the current fiscal year, and to be further halved in the next fiscal year. Meanwhile, production from the Verdad and Fundare assets combined is 25,000 boed for the current fiscal year, bringing total production to approximately 35,000 boed at present.<br>The 25,000 boed figure is an average daily rate calculated by dividing the production volume of the Verdad and Fundare assets since their respective acquisitions by one full year (12 months). Current production volume is therefore running in the low-30,000 boed range. For the next fiscal year, when the additionally acquired assets will contribute for a full 12 months, we expect total production to be just under 40,000 boed. |

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| Q4: | Regarding the Fundare assets, page 9 states that “Development will begin with a 1 rig program across Fundare and Verdad in FY2027” and that “Operations can expand up to 3 rigs.” How does this relate to the production volume profile image? |
| A4: | Expanding to a 3-rig program does not necessarily mean that the absolute (total) production volume will increase. However, by accelerating the development in response to oil prices and the external environment, we could ramp up production more quickly. In addition, we believe that efficient drilling by effectively using the 3 rigs will contribute to reducing drilling costs and unit costs per production volume. |

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| Q5: | What is the current status of the Garraf Oil Field? |
| A5: | Regarding the performance of the Garraf Oil Field, we have recorded remuneration fees based on actual production since operations resumed. Production is currently recovering and stands in the upper 100,000s of barrels per day, compared with 180,000 barrels per day before the closure of the Strait of Hormuz. However, it is uncertain whether this level of production will be sustained, so we have not factored in any crude oil sales or remuneration fees for the second half. |

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| Q6: | Regarding alternative LNG procurement (three cargoes planned for the current fiscal year), which is a factor putting downward pressure on earnings, what is the outlook for the next fiscal year if the current situation continues? |
| A6: | In the current fiscal year, we entered into a new term contract for LNG from Brunei. Therefore, we do not expect any spot procurement as an alternative to Middle Eastern LNG in the next fiscal year. |

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| Q7: | Apart from alternative LNG procurement, are there any other points we should keep in mind regarding the domestic Infrastructure & Utility (I/U) Business and gas supply? |
| A7: | The biggest issue remains alternative LNG procurement. In the current fiscal year, we have significantly reduced power generation to conserve LNG inventory, which has led to a decrease in sales volume. For the next fiscal year, we plan to procure LNG, including under the new term contract, so we expect the situation to improve.<br><br>Our electricity sales volume normally exceeds 3.0 billion kWh. In the current fiscal year, however, it is particularly low, and we expect sales of only approximately 2.7 billion kWh due to the conservation of LNG, extended scheduled maintenance periods compared with the previous fiscal year, and power generation curtailment due to transmission and distribution network maintenance work. Once these constraints are removed, we expect sales to recover to approximately 3.3 billion kWh, the actual level for the previous fiscal year. |

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| Q8: | Why has the valuation of LNG derivatives swung between gains and losses since the end of the previous fiscal year? |
| A8: | First, a valuation gain on an LNG book-out transaction arose at the end of the previous fiscal year ended March 31, 2026. At the end of March, LNG spot prices had surged immediately after the attack on Iran. This gain was reversed at the beginning of the current fiscal year. As the valuation gain at the end of June fell below the reversed amount, we recorded a loss on valuation of derivatives in our first-quarter results and in the previous forecast. At the end of September, LNG spot prices again rose above the level at the end of the previous fiscal year, and the valuation gain exceeded the amount reversed at the beginning of the fiscal year. We therefore recorded a gain on valuation of derivatives in our second-quarter results and in the latest forecast. As this derivative transaction (covering two cargoes) is scheduled to be settled in the next fiscal year, we will continue to recognize gains or losses on valuation of derivatives at the end of each quarter until settlement, in line with fluctuations in LNG spot prices. |

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| Q9: | What is the current progress of CCS business? |
| A9: | For the Tomakomai area CCS, which is currently our top priority and progressing in preparation, we are drilling the second exploratory well and expect to complete the exploratory drilling by the end of this year. In addition, we continue to discuss the overall project scheme with Idemitsu Kosan Co., Ltd. and Hokkaido Electric Power Co., Inc., which are on the $CO_2$ emitter side, and government support with the Ministry of Economy, Trade and Industry. As the target under the Advanced CCS Projects is to start $CO_2$ storage by FY2030, we are making preparations to reach a Final Investment Decision (FID) as early as possible so that we can achieve the target to the greatest extent possible or minimize any delay.<br><br>Regarding advanced projects involving the transport of $CO_2$ overseas, there has been no significant progress at this point, as the approach of the governments and the Japan Organization for Metals and Energy Security (JOGMEC) is currently being reorganized. Under these circumstances, we, as an individual company, are steadily continuing joint research and other initiatives in Indonesia and Malaysia.<br><br>The Dry Piney Project combines CCS with the production and sale of helium and the sale of associated natural gas. We are also continuing to study this project toward FID. |

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| Q10: | Could you provide some more details on CCS business? For example, the government is currently developing new GX frameworks, such as the GX Acceleration Agency. How well do support measures such as debt guarantees, investments, and loans fit with this CCS project? Also, what is the status of your discussions with partner companies? |
| A10: | Regarding CCS business, we would like to refrain from commenting at this time on specifically how individual support measures would apply. Available support schemes include support measures under the CCS Business Act, in which the GX Acceleration Agency and JOGMEC are involved as parties. There are also other options, such as using the long-term decarbonized power source auction, and we are currently considering various combinations. Please understand that we are examining how to combine multiple schemes as a whole, including from whom and in what form we would receive debt guarantees for the portion that would require funding from us. |

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| Q11: | Is there anything you can tell us about the potential sale of certain overseas assets that is under consideration and not included in the latest financial forecasts? |
| A11: | We have nothing further to add regarding the details. As this matter involves a counterparty, it could not be finalized in time for today's announcement of our semi-annual financial results. However, since the deal may be finalized before long, we made this disclosure so that it would not come as a negative surprise. |

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| Q12: | Why did you keep the dividend forecast unchanged? |
| A12: | One factor is that the specific amount of the one-time loss expected from the sale of overseas assets has yet to be determined. More importantly, under circumstances where the outlook remains difficult to predict, with the business environment unstable due to the situation in the Middle East, among other factors, we decided it was too early to change our current view on dividends.<br>As for our approach to the base amount for dividends if a one-time loss is recorded, we will bear in mind that gains on sale of investment securities are excluded from the base amount for dividends so that they can be prioritized for growth investments. Ultimately, we intend to determine the dividend amount based on a 30% payout ratio, taking into account the year-end financial results and other factors comprehensively. |

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| Q13: | Regarding the sensitivities, is it correct to understand that the sensitivities shown on page 38 are for the six months of the second half under the plan for the fiscal year ending March 31, 2027, not for the full fiscal year? |
| A13: | That is correct. They are for the six months of the second half of the fiscal year. |

Cautionary Statement

This document contains future outlooks such as plans, forecasts, strategies, and others which are not historical fact, and these are made by the management's judgement based on the obtainable information at the time of the disclosure. Actual results may significantly differ from those future outlooks due to various factors.

This document is not intended to invite investment.

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