



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

May 13, 2022

Company Name: Japan Petroleum Exploration Co., Ltd. (JAPEX)
Securities Code: 1662 (Prime Market of the Tokyo Stock Exchange)
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Expansion of investment in Tight Oil Development Business in the United States

Japan Petroleum Exploration Co., Ltd. (JAPEX) announced that JAPEX (U.S.) Corp. (JUS), its overseas consolidated subsidiary that holds tight oil interests in the United States, will invest approximately U.S. \$500 million from 2022 to 2024 to develop tight oil interests in the southern United States which have already been acquired and interests to be acquired later this year.

JUS has participated in the tight oil development business in the United States in 2012, by acquiring development interests in the Eagle Ford formation in Middle McCowen, southern Texas. Since that time, JUS has continuously invested in the development of the acquired interests, including the acquisition of additional interests in the same formation in 2013. During this time period, JAPEX has accumulated the knowledge of the tight oil development business. In the “JAPEX Management Plan 2022-2030” formulated in March, 2022, JAPEX plans to invest in the acquisition of new overseas oil and gas interests, and such acquisitions are one of the key priorities in its growth investment strategy. Under the articulated strategy, the shale (tight) formation development in North America is a priority focus area for the acquisition of new positions, as early profit contribution can be expected and we can leverage our experience and expertise in this area. As a part of this strategy, in January of this year, JUS has acquired certain wellbore interests in tight oil development projects in the Eagle Ford formation in southern Texas, and has decided to acquire additional wellbore interests in the development of the Eagle Ford formation and the Woodford formation in southern Oklahoma.

JUS will invest approximately U.S. \$500 million in a span of three years from 2022 to 2024 under the wellbore interests acquired in Texas and Oklahoma. The tight oil production from these interests will start sequentially from the middle of this year, and the impact on the consolidated business forecasts for the fiscal year ending March 31, 2023, is included in the financial forecast of the fiscal year disclosed on May 13, 2022.

(Reference) JAPEX (U.S.) Corp. (JUS) Financial Forecast*

(Hundred million Yen)	Net Sales	Ordinary Profit	Net Profit
Fiscal year ending March 31, 2022 (Actual)	9	3	2
Fiscal year ending March 31, 2023 (Forecast)	65	27	21

* The details of the interests currently owned by JUS in the development projects cannot be disclosed due to various different conditions and other reasons.

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