



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

March 25, 2025

Company Name: Japan Petroleum Exploration Co., Ltd. (JAPEX)
 Securities Code: 1662 (Prime of the Tokyo Stock Exchange)
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Notice Concerning Share Sale and Transfer Involving a Change in a Consolidated Subsidiary

Japan Petroleum Exploration Co., Ltd. (JAPEX) announces that its Board of Directors has resolved to sell and transfer all the shares of JAPEX UK E&P LIMITED (JUK) (hereinafter the “Share Transfer”), JAPEX’s overseas consolidated subsidiary, and plans to sign the share sale and purchase agreement, today.

Upon completion of the share transfer, JUK will be excluded from JAPEX’s consolidated subsidiaries.

1. Change in a consolidated subsidiary

1) Reason and Purpose for the Share Transfer

The Seagull field (located in the central U.K. North Sea, around 230km east offshore Aberdeen, Northeast Scotland), in which JAPEX holds a 15% interest through JUK, has been producing crude oil and natural gas at a rate of approximately 30,000 barrels of oil equivalent per day since November 2023.

Compared to the final investment decision in 2019, the total Seagull investment amount has increased due to the revision of the development plan, etc., due to the impact of COVID-19. JAPEX has been working diligently to improve the profitability of the Seagull field. However, the recent introduction of the Energy Profits Levy (EPL) and the increase in tax rates by the UK government in respect of oil and gas projects in the UK has led to a further increase in the sense of uncertainty about the business environment in the UK. As a result, JAPEX evaluated that it will be difficult to maintain and expand the profitability of the Seagull field, and JAPEX has decided to sell and transfer all of its JUK shares to Ithaca Energy (UK) Limited for approximately 223 million US dollars.

2) Outline of the subsidiary being changed

(1) Corporate Name	JAPEX UK E&P Limited (JUK)		
(2) Head Office	C/O Central Square, 29 Wellington Street, Leeds, United Kingdom, LS1 4DL		
(3) Representative	Director KAWADA Koji		
(4) Business Activities	Exploration, development, and production of petroleum resources in the U.K. North Sea		
(5) Share Capital	31,662,000 British pounds (6,015,780,000 yen) (1 British pound = 190 yen)		
(6) Date of Establishment	March 19, 2014		
(7) Shareholder	Japan Petroleum Exploration Co., Ltd. 100%		
(8) Relationship between the listed company and the company concerned	Capital Relationships	JAPEX owns 100% of the shares of JUK.	
	Personal Relationships	JAPEX has dispatched three directors to JUK.	
	Business Relationships	There are transactions related to the dispatch of officers and employees from JAPEX to JUK.	
	Related Party Status	Not applicable.	
(9) JUK's operating results and financial position for the past three years			
Fiscal year	For the year ended	For the year ended	For the year ended

	Dec 2021	Dec 2022	Dec 2023
Net assets	114,545,000 British pounds (21,763,550,000 yen)	149,918,000 British pounds (28,484,420,000 yen)	180,933,000 British pounds (34,377,270,000 yen)
Total assets	125,875,000 British pounds (23,763,550,000 yen)	161,621,000 British pounds (30,707,990,000 yen)	200,805,000 British pounds (38,152,950,000 yen)
Net assets per share	1,121pounds (213,030 yen)	1,066pounds (202,503 yen)	1,119pounds (212,649 yen)
Sales	— pounds (— yen)	— pounds (— yen)	14,445,000 British pounds (2,744,550,000 yen)
Operating income	△985,000 British pounds (△137,150,000 yen)	△1,082,000 British pounds (△205,580,000 yen)	2,350,000 British pounds (446,500,000 yen)
Ordinary income	△985,000 British pounds (△137,150,000 yen)	△1,082,000 British pounds (△205,580,000 yen)	2,350,000 British pounds (446,500,000 yen)
Net income attributable to owners of parent	4,885,000 British pounds (928,150,000 yen)	△3,127,000 British pounds (△594,130,000 yen)	10,015,000 British pounds (1,902,850,000 yen)
Net income per share	48pounds (9,085 yen)	△22pounds (△4,224 yen)	62pounds (11,771 yen)
Dividend per share	—	—	—

3) Outline of the counterparty to the Share Transfer

(1) Corporate Name	Ithaca Energy (UK) Limited	
(2) Head Office	13 Queen's Road, Aberdeen, AB15 4YL, United Kingdom	
(3) Representative	Luciano Vasques	
(4) Business Activities	Exploration, development, and production in the U.K. North Sea	
(5) Share Capital	1 share of 1 British pound (190 yen)	
(6) Date of Establishment	August 16, 2004	
(7) Net Asset	△677042,000 USD	
(8) Total Asset	6,040,525,000 USD	
(9) Shareholder	Ithaca Energy (E&P) Limited	100%
(10) Relationship between the listed company and the company concerned	Capital Relationships	Not applicable.
	Personal Relationships	Not applicable.
	Business Relationships	Not applicable.
	Related Party Status	Not applicable.

4) Number of shares to be transferred, transfer price, and status of shares held before and after the share transfer

(1) Number of shares held before the change	31,662,000 (Number of voting rights: 1) (Percentage of voting rights held: 100%)
(2) Number of shares transferred	31,662,000 (Number of voting rights: 1)
(3) Transaction price	Approx. 223 million US dollars (Enterprise value 193 million US dollars, Interest etc. 30 million US dollars)
(4) Number of shares held after the change	0 (Number of voting rights: 0) (Percentage of voting rights held: 0%)

5) Schedule

(1) Date of resolution by the Board of Directors	March 25, 2025
(2) Date of contract	March 25, 2025
(3) Date of the Share Transfer	June 30, 2025 (forecast)

2. Outlook

The Share Transfer is forecast to be completed on June 30, 2025, and the gain or loss on the transfer will be recognized in the first quarter of the consolidated fiscal year ending March 2026, so there will be no impact on the consolidated earnings forecast for the fiscal year ending March 2025. The impact on the consolidated earnings forecast for the fiscal year ending March 2026 due to the Share Transfer is currently being examined.

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