Consolidated Financial Results for the Three Months Ended June 30, 2026
<under Japanese GAAP>

August 6, 2026

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

Company name: Japan Petroleum Exploration Co., Ltd. (JAPEX)
Listing: Prime Market, Tokyo Stock Exchange
Securities code: 1662
URL: https://www.japex.co.jp/en/
Representative: YAMASHITA Michiro, Representative Director and President
Inquiries: MATSUMOTO Akinori, General Manager, Corporate Communication Office
Telephone: +81-3-6268-7111 (from overseas)
Scheduled date to commence dividend payments: –
Presentation of supplementary material on financial results: Yes
Holding of financial results presentation meeting (for institutional investors and analysts): Yes

(Millions of yen with fractional amounts discarded, unless otherwise noted)

1. Consolidated financial results for the three months ended June 30, 2026 (April 1, 2026–June 30, 2026)

(1) Consolidated operating results (cumulative) (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2026	65,114	(21.4)	6,202	(62.9)	5,773	(72.3)	3,240	(79.4)
June 30, 2025	82,844	(7.4)	16,699	29.0	20,810	25.7	15,714	36.7

Note: Comprehensive income: Three months ended June 30, 2026: (23,753) million yen [–%]
Three months ended June 30, 2025: 3,627 million yen [(76.6)%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2026	12.66	–
June 30, 2025	61.41	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2026	859,805	623,535	68.8
As of March 31, 2026	862,470	658,897	72.8

Reference: Equity As of June 30, 2026: 591,424 million yen As of March 31, 2026: 627,537 million yen

2. Cash dividends

	Annual dividends				
	First quarter	Second quarter	Third quarter	Fiscal year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2026	–	20.00	–	45.00	65.00
Fiscal year ending March 31, 2027	–				
Fiscal year ending March 31, 2027 (Forecast)		22.50	–	22.50	45.00

Note: Revisions to the latest forecasts of cash dividends: None

3. Consolidated financial forecasts for the fiscal year ending March 31, 2027 (April 1, 2026–March 31, 2027)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2027	314,000	(7.7)	46,000	18.2	46,000	(25.3)	65,000	21.7	253.91

Note: Revisions to the consolidated financial forecasts most recently announced: Yes

* Notes

(1) Significant changes in the scope of consolidation during the three months under review: None

(2) Application of specific accounting for preparing quarterly consolidated financial statements: Yes

Note: For details, please refer to “(3) Notes to quarterly consolidated financial statements (Notes on specific accounting for preparing quarterly consolidated financial statements)” of “2. Quarterly consolidated financial statements and significant notes ” on page 9 of the attached material.

(3) Changes in accounting policies, changes in accounting estimates, and restatement

a. Changes in accounting policies due to revisions to accounting standards and other regulations: None

b. Changes in accounting policies due to other reasons: None

c. Changes in accounting estimates: None

d. Restatement: None

(4) Number of issued shares (common shares)

a. Total number of issued shares at the end of the period (including treasury shares)

As of June 30, 2026	257,000,380 shares
As of March 31, 2026	257,000,380 shares

b. Number of treasury shares at the end of the period

As of June 30, 2026	1,001,089 shares
As of March 31, 2026	1,000,978 shares

c. Average number of shares outstanding during the period

Three months ended June 30, 2026	255,999,378 shares
Three months ended June 30, 2025	255,912,400 shares

* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit corporation: None

* Proper use of financial forecasts, and other special matters

The forward-looking statements, including the financial forecasts shown in this document are based on information currently available to our company and on certain assumptions deemed to be reasonable. As such, they do not constitute guarantees by our company of future performance. Actual performance and other results may differ materially from these forecasts due to various factors.

For the suppositions that form the assumptions for financial forecasts and cautions concerning the use thereof, please refer to “(3) Explanation of consolidated financial forecasts and other forward-looking statements” of “1. Overview of operating results and others” on page 5 of the attached material to the quarterly financial results report.

(Attached Material)

1. Overview of operating results and others

(1) Overview of operating results for the three months ended June 30, 2026

During the three months ended June 30, 2026, net sales was ¥65,114 million, a decrease of ¥17,729 million (−21.4%) year on year. Gross profit was ¥19,603 million, a decrease of ¥5,717 million (−22.6%) year on year. Main factors behind the year-on-year decreases in net sales and gross profit include lower crude oil sales volumes and an increase in LNG procurement costs due to the spot procurement of LNG cargoes from alternative sources following the closure of the Strait of Hormuz, in place of cargoes originally scheduled to be sourced from within the Persian Gulf.

Exploration expenses were ¥3,929 million, an increase of ¥3,677 million year on year. Selling, general and administrative expenses were ¥9,472 million, an increase of ¥1,102 million (+13.2%) year on year. As a result, operating profit was ¥6,202 million, a decrease of ¥10,497 million (−62.9%) year on year.

Ordinary profit was ¥5,773 million, a decrease of ¥15,037 million (−72.3%) year on year, mainly due to a decrease in share of profit of entities accounted for using the equity method and a reversal from a gain on valuation of derivatives to a loss.

Profit before income taxes decreased by ¥15,033 million year on year to ¥5,773 million. Profit attributable to owners of parent decreased by ¥12,474 million year on year to ¥3,240 million.

Below is a breakdown of net sales.

(i) E&P Business
Net sales from the E&P Business came to ¥24,126 million, a decrease of ¥3,183 million (−11.7%) year on year, mainly due to a decrease in crude oil sales volumes.

(ii) Infrastructure/Utility Business
Net sales from the Infrastructure/Utility Business came to ¥34,799 million, a decrease of ¥4,965 million (−12.5%) year on year, mainly due to decreases in sales volumes of natural gas and electricity.

(iii) Other Businesses
Net sales from other businesses, such as the contract services (drilling and geological surveys, etc.), sale of oil products, including liquefied petroleum gas (LPG), fuel oil and the like, as well as other subcontracted tasks, came to ¥6,188 million, a decrease of ¥9,580 million (−60.8%) year on year.

(2) Overview of financial position as of June 30, 2026

Total assets as of June 30, 2026 decreased by ¥2,664 million from the previous fiscal year-end to ¥859,805 million.

Current assets increased by ¥37,262 million from the previous fiscal year-end. This was mainly due to an increase in cash and deposits, despite a decrease in guarantee deposits included in other. Non-current assets decreased by ¥39,926 million from the previous fiscal year-end. This was mainly due to a decrease in investment securities resulting from the decline in market values.

Total liabilities increased by ¥32,697 million from the previous fiscal year-end to ¥236,270 million.

Current liabilities decreased by ¥11,631 million from the previous fiscal year-end. This was mainly due to a decrease in commercial paper included in other, despite an increase in accounts payable - other. Non-current liabilities increased by ¥44,329 million from the previous fiscal year-end. This was mainly due to an increase in long-term borrowings, despite a decrease in deferred tax liabilities resulting from the decline in the market values of investment securities.

Net assets decreased by ¥35,361 million from the previous fiscal year-end to ¥623,535 million. This was mainly due to decreases in valuation difference on available-for-sale securities and deferred gains or losses on hedges.

(3) Explanation of consolidated financial forecasts and other forward-looking statements

The consolidated financial forecasts for the fiscal year ending March 31, 2027 have been revised from the forecasts announced on May 13, 2026.

Please refer to the “Notice of Financial Forecasts Revision” disclosed on August 6, 2026, the same day of this report.

2. Quarterly consolidated financial statements and significant notes

(1) Quarterly consolidated balance sheet

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
Assets		
Current assets		
Cash and deposits	54,259	96,178
Notes and accounts receivable - trade, and contract assets	40,280	43,175
Securities	3,000	3,000
Merchandise and finished goods	3,880	3,798
Work in process	27	221
Raw materials and supplies	14,073	15,478
Other	40,102	31,032
Allowance for doubtful accounts	(265)	(264)
Total current assets	155,359	192,621
Non-current assets		
Property, plant and equipment		
Wells, net	105,025	103,661
Mineral resources, net	173,370	175,592
Other, net	94,994	93,316
Total property, plant and equipment	373,390	372,569
Intangible assets	5,537	5,551
Investments and other assets		
Investment securities	274,024	240,866
Other	54,197	48,235
Allowance for doubtful accounts	(38)	(38)
Total investments and other assets	328,183	289,063
Total non-current assets	707,111	667,184
Total assets	862,470	859,805

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,398	2,283
Accounts payable - other	51,525	54,994
Provisions	484	213
Other	33,883	20,168
Total current liabilities	89,291	77,660
Non-current liabilities		
Long-term borrowings	–	57,756
Deferred tax liabilities	60,292	47,015
Retirement benefit liability	3,315	3,338
Asset retirement obligations	40,139	38,015
Provisions	345	518
Other	10,187	11,965
Total non-current liabilities	114,280	158,609
Total liabilities	203,572	236,270
Net assets		
Shareholders' equity		
Share capital	14,288	14,288
Retained earnings	486,089	477,774
Treasury shares	(925)	(925)
Total shareholders' equity	499,452	491,137
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	94,349	69,222
Deferred gains or losses on hedges	19,666	10,941
Foreign currency translation adjustment	11,418	17,566
Remeasurements of defined benefit plans	2,650	2,556
Total accumulated other comprehensive income	128,084	100,286
Non-controlling interests	31,359	32,111
Total net assets	658,897	623,535
Total liabilities and net assets	862,470	859,805

(2) Quarterly consolidated statement of income and Quarterly consolidated statement of comprehensive income

Quarterly consolidated statement of income

(Millions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Net sales	82,844	65,114
Cost of sales	57,522	45,510
Gross profit	25,321	19,603
Exploration expenses	251	3,929
Selling, general and administrative expenses	8,369	9,472
Operating profit	16,699	6,202
Non-operating income		
Interest income	533	315
Dividend income	111	146
Share of profit of entities accounted for using equity method	1,766	307
Foreign exchange gains	318	921
Gain on valuation of derivatives	1,783	–
Other	489	415
Total non-operating income	5,002	2,107
Non-operating expenses		
Interest expenses	410	549
Loss on valuation of derivatives	37	1,302
Loss on investments in silent partnerships	285	224
Other	157	459
Total non-operating expenses	892	2,536
Ordinary profit	20,810	5,773
Extraordinary income		
Gain on sale of non-current assets	0	0
Total extraordinary income	0	0
Extraordinary losses		
Loss on retirement of non-current assets	3	0
Total extraordinary losses	3	0
Profit before income taxes	20,807	5,773
Income taxes	5,067	1,722
Profit	15,740	4,050
Profit attributable to non-controlling interests	25	810
Profit attributable to owners of parent	15,714	3,240

Quarterly consolidated statement of comprehensive income

(Millions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Profit	15,740	4,050
Other comprehensive income		
Valuation difference on available-for-sale securities	302	(25,129)
Deferred gains or losses on hedges	(719)	(9,247)
Foreign currency translation adjustment	(12,070)	6,117
Remeasurements of defined benefit plans, net of tax	(61)	(93)
Share of other comprehensive income of entities accounted for using equity method	436	548
Total other comprehensive income	(12,112)	(27,804)
Comprehensive income	3,627	(23,753)
Comprehensive income attributable to:		
Owners of parent	3,602	(24,557)
Non-controlling interests	25	803

(3) Notes to quarterly consolidated financial statements

(Notes on specific accounting for preparing quarterly consolidated financial statements)

Deferral accounting of cost variance

Cost variance arising from seasonal changes in production level is deferred as current assets (other) because such variance is expected to be almost completely eliminated by the end of the cost accounting period.

Calculation of taxes

For the taxes, JAPEX and some of its consolidated subsidiaries compute first by reasonably estimating the effective tax rate after applying tax effect accounting against profit before income taxes for the fiscal year including the three months ended June 30, 2026, and next by multiplying the quarterly profit before income taxes by such estimated effective tax rate.
However, in cases where the calculation of taxes using such estimated effective tax rate yields a result that is not reasonable to a significant extent, the effective statutory tax rate is used.
Note that income taxes - deferred is included in income taxes.

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(Notes on segment information, etc.)

I Three months ended June 30, 2025

Information regarding net sales and profit (loss) by reportable segment

(Millions of yen)

	Reportable segment					Others	Total	Adjustment (Note) 1	Amount on the quarterly consolidated statement of income (Note) 2
	Japan	North America	Europe	Middle East	Total				
Net sales									
Net sales to external customers	59,441	16,303	6,249	849	82,844	–	82,844	–	82,844
Intersegment sales or transfers	–	–	–	–	–	–	–	–	–
Total	59,441	16,303	6,249	849	82,844	–	82,844	–	82,844
Segment profit	9,420	6,864	3,104	621	20,011	–	20,011	(3,312)	16,699

Notes: 1. The segment profit adjustment of ¥(3,312) million includes intersegment eliminations of ¥0 million and corporate expenses that are not allocated to any reportable segments of ¥(3,312) million. Corporate expenses are mainly general and administrative expenses and experimentation and research expenses, all of which are not attributable to the reportable segments.

2. Segment profit was adjusted to operating profit in the quarterly consolidated statement of income.

II Three months ended June 30, 2026

Information regarding net sales and profit (loss) by reportable segment

(Millions of yen)

	Reportable segment					Others	Total	Adjustment (Note) 1	Amount on the quarterly consolidated statement of income (Note) 2
	Japan	North America	Europe	Middle East	Total				
Net sales									
Net sales to external customers	46,655	15,633	2,794	31	65,114	–	65,114	–	65,114
Intersegment sales or transfers	–	–	–	–	–	–	–	–	–
Total	46,655	15,633	2,794	31	65,114	–	65,114	–	65,114
Segment profit (loss)	2,329	6,548	1,340	(109)	10,109	–	10,109	(3,906)	6,202

Notes: 1. The segment profit (loss) adjustment of ¥(3,906) million includes intersegment eliminations of ¥0 million and corporate expenses that are not allocated to any reportable segments of ¥(3,907) million. Corporate expenses are mainly general and administrative expenses and experimentation and research expenses, all of which are not attributable to the reportable segments.

2. Segment profit (loss) was adjusted to operating profit in the quarterly consolidated statement of income.

(Notes on significant changes in the amount of shareholders' equity)
Not applicable.

(Notes on premise of going concern)
Not applicable.

(Notes to quarterly consolidated statement of cash flows)
Quarterly consolidated statement of cash flows for the three months ended June 30, 2026 is not prepared. Depreciation (including amortization related to intangible assets, etc. excluding goodwill) and amortization of goodwill for the three months ended June 30, 2025 and 2026 are as follows.

(Millions of yen)

	Three months ended June 30, 2025 (April 1, 2025–June 30, 2025)	Three months ended June 30, 2026 (April 1, 2026–June 30, 2026)
Depreciation	12,121	8,647
Amortization of goodwill	–	30

(Notes on significant subsequent events)
Sale of investment securities
At a meeting held on August 6, 2026, the Board of Directors of JAPEX resolved to sell a portion of the investment securities held by JAPEX. As a result, JAPEX expects to record a gain on sale of investment securities as extraordinary income for the fiscal year ending March 31, 2027.

1. Reason for sale of investment securities
   To use the proceeds as a source of funds for growth investments

2. Details of sale of investment securities
   (1) Type of asset to be sold
   One listed security held by JAPEX
   (2) Gain on sale of investment securities
   Approximately 6 billion yen

Note: The gain on sale of investment securities is an estimated amount calculated based on the current market price of the relevant security and may fluctuate depending on future circumstances.

Acquisition of U.S. Tight Oil and Gas Assets Through the Acquisition of the Fundare Companies
At a meeting held on August 6, 2026, the Board of Directors of JAPEX resolved to acquire all equity interests in Fundare Resources Operating Company, LLC; Fundare Redtail, LLC; Rangeview Resources Operating Company, LLC; and Rangeview Green River, LLC (collectively, the "Fundare Companies"), which hold tight oil and gas assets in the United States, through Peoria Resources Acquisition Company, LLC, a subsidiary of Peoria Resources, LLC, a consolidated subsidiary (second-tier subsidiary) of JAPEX. The acquisition is scheduled to be completed in the third quarter of the fiscal year ending March 31, 2027, and the acquisition price is expected to be approximately US$320 million.

3. Supplemental information

Status of production and sales

(1) Production

		Three months ended June 30, 2025 (April 1, 2025– June 30, 2025)	Three months ended June 30, 2026 (April 1, 2026– June 30, 2026)	(Reference) Fiscal year ended March 31, 2026 (April 1, 2025– March 31, 2026)
E&P Business	Domestic crude oil (thousand bbl)	351	350	1,428
	Overseas crude oil (thousand bbl)	2,694	1,888	9,313
	Domestic natural gas (million cf)	3,781	3,656	14,969
	Overseas natural gas (million cf)	1,655	2,487	5,195
Infrastructure/ Utility Business	Electricity (million kWh)	610	324	2,852

(2) Sales

		Three months ended June 30, 2025 (April 1, 2025– June 30, 2025)		Three months ended June 30, 2026 (April 1, 2026– June 30, 2026)		(Reference) Fiscal year ended March 31, 2026 (April 1, 2025– March 31, 2026)	
		Sales volume	Net sales (Millions of yen)	Sales volume	Net sales (Millions of yen)	Sales volume	Net sales (Millions of yen)
E&P Business	Crude oil (Japan) (thousand bbl)	343	3,906	323	5,666	1,542	17,114
	Crude oil (overseas) (thousand bbl)	2,049	21,504	1,856	17,788	9,109	87,852
	Natural gas (overseas) (million cf)	1,695	1,898	2,501	670	5,233	4,289
	Subtotal		27,309		24,126		109,257
Infrastructure/ Utility Business	Natural gas (Japan) (million cf)	7,104	17,079	6,658	14,964	32,770	73,345
	LNG (t)	35,693	4,155	38,183	4,912	231,386	23,112
	Electricity (million kWh)	784	11,918	473	8,512	3,361	48,460
	Biomass fuel (t)	184,790	5,310	157,665	5,192	732,870	21,625
	Other		1,300		1,218		5,804
	Subtotal		39,765		34,799		172,349
Other Businesses	Contract services		1,046		4,097		10,807
	Oil products/ merchandise		14,270		1,706		45,441
	Other		452		384		2,481
	Subtotal		15,769		6,188		58,730
Total			82,844		65,114		340,336

Notes:
1. "Crude oil (Japan)" and "Crude oil (overseas)" of the E&P Business include crude oil that the JAPEX Group produced in oil fields and the crude oil purchased from other companies.
2. "Natural gas (Japan)" of the Infrastructure/Utility Business refers to gas supplied in Japan via pipeline and comprises the total of natural gas produced in Japan and regasified LNG. Natural gas (Japan) is classified under the Infrastructure/Utility Business, since both natural gas produced in Japan and LNG vaporized gas are sold together by our company's supply network, which consists of the natural gas fields in Japan and the LNG terminals that vaporize gas linked by pipeline networks.
3. "Other" of the Infrastructure/Utility Business includes commissioned transportation of natural gas and contracted vaporization of LNG used for power plant fuel, etc.
4. Under the Other Businesses, "Oil products/merchandise" includes liquefied petroleum gas (LPG), fuel oil, gas oil and kerosene, and "Other" includes other subcontracted tasks.