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

August 6, 2026

Company Name:	Japan Petroleum Exploration Co., Ltd. (JAPEX)
Securities Code:	1662 (Prime of the Tokyo Stock Exchange)
Representative:	YAMASHITA Michiro, Representative Director and President
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Notice Regarding Acquisition of Tight Oil and Gas Assets in the U.S. and Change in Status of Consolidated Subsidiary (Sub-Subsidiary)

Japan Petroleum Exploration Co., Ltd (JAPEX) announced that its Board of Directors resolved to enter into an agreement to acquire the entire equity interest in Fundare Resources Operating Company, LLC, Fundare Redtail, LLC, Rangeview Resources Operating Company, LLC, and Rangeview Green River, LLC (collectively "Fundare") which holds tight oil and gas assets in the U.S., through Peoria Resources Acquisition Company, LLC ("AcquCo") managed by Peoria Resources, LLC ("Peoria"), an overseas subsidiary, thereby upon closing of the transaction, making Fundare consolidated subsidiaries (sub-subsidiaries).

1. Acquisition of Tight Oil and Gas Assets through the Acquisition of Equity Interest in Fundare

1) Reasons and Purpose for the Acquisition

In April 2026, JAPEX formulated the "JAPEX Management Plan 2026-2035", in which the U.S. is positioned as the key strategic base for early earnings generation and capability enhancement.

JAPEX has now decided to acquire, through AcquCo, the entire interest in Fundare, which holds tight oil and gas assets in Colorado and Wyoming, U.S., from Fundare Resources Company HoldCo, LLC. The assets to be acquired include operated leases (*) , and a major portion of these leases are located in close proximity to the Verdad assets. The acquisition of the equity interests of Fundare will enable us to conduct more efficient development by leveraging our proximity to the site, and we anticipate cost reductions as a result of the expansion of our business scale. The production volume of Fundare averaged approximately 9,500boed (net) in the first quarter of 2026 (January to March), and we will expand production through efficient development.

JAPEX, through Peoria, and AcquCo will continue to pursue further business expansion and improve profitability in the U.S.

* In the U.S., land ownership extends underground, and underground minerals such as crude oil and natural gas belong to the owner of the land directly above them. This term refers to a contract in which a landowner grants extraction rights to a crude oil or natural gas developer.

2) Acquisition Price

Approximately US$320million (Total for Fundare)
(Planned to be funded by Peoria's cash flows and Reserved Based Lending)

3) Outline of the counterparty to the equity interest acquisition

(1)	Corporate name	Fundare Resources Company HoldCo, LLC	
(2)	Head Office	Colorado, U.S.A	
(3)	Representative	President and CEO J. Cody Truitt	
(4)	Business Activates	Exploration, development, and production of oil and natural gas in the U.S.	
(5)	Date of Establishment	May 1, 2024	
(6)	Net Asset	US$ 160,465,786	
(7)	Total Asset	US$ 362,389,229	
(8)	Shareholder	Fundare Resources Company, LLC 100%	
(9)	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.

*: LLC has no concept of share capital and does not recognize the amount of capital contributions as share capital

4) Outline of the equity interest acquisition

(1)	Corporate name	Fundare Resources Operating Company, LLC Fundare Redtail, LLC Rangeview Resources Operating Company, LLC Rangeview Green River, LLC			
(2)	Head Office	Colorado, U.S. A			
(3)	Representative	President and CEO J. Cody Truitt (Serves concurrently on president and CEO of four Fundare LLCs)			
(4)	Business Activates	Exploration, development, and production of oil and natural gas in the U.S.			
(5)	Date of Establishment	Fundare Resources Operating Company, LLC August 20, 2020 Fundare Redtail, LLC July 22, 2021 Rangeview Resources Operating Company, LLC May 5, 2022 Rangeview Green River, LLC May 5, 2022			
(6)	Shareholder	Fundare Resources Company HoldCo, LLC 100%			
(7)	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.		
(8)	Operating results and financial position for the past three years in U.S. GAAP (US$)				
	Fiscal yead ended	December 31, 2023	December 31,2024	December 31, 2025	
	Net assets	-	114,548,028	149,862,453	
	Total assets	-	288,429,734	327,802,749	
	Revenues	-	118,215,314	96,656,731	
	Total operating costs and expenses	-	86,293,618	76,633,239	
	Total other income (expense)	-	(21,418,663)	585,819	
	Net income	-	10,503,033	20,609,311	

*1: LLC has no concept of share capital and does not recognize the amount of capital contributions as share capital.

*2: Due to the organizational structure and contractual provisions (Operating Agreements) of the LLCs, there is no statutory obligation to prepare financial statements, therefore no financial statements in a disclosable format are available for the four acquired LLCs. With regard to "(8) Operating results and financial position for the past three years," we have cited the financial statements prepared for this transaction, which present combined figures for the four LLCs.

*3: Regarding (8) Operating results and financial position for the past three years, the figures for the financial year ended December 2023 are not available, as the current organizational structure was established in the financial year ended December 2024.

5) Overview of the subsidiary acquiring the equity interest

(1) Corporate name	Peoria Resources Acquisition Company, LLC
(2) Head Office	Texas, U.S.A
(3) Representative	Chief Executive Officer Greg West Chief Technical Officer David Kita
(4) Business Activates	Exploration, development, and production of oil and natural gas in the U.S.

*1: LLC has no concept of share capital and does not recognize the amount of capital contributions as share capital.

*2: Peoria Resources Acquisition Company, LLC is a consolidated subsidiary (sub-subsidiary) of JAPEX, wholly owned by Peoria Resources, LLC, which is also a consolidated subsidiary (sub-subsidiary) of JAPEX.

6) Number of interests to be acquired

(1) Number of interests held before acquisition	0%
(2) Number of interests acquired	All interests of Fundare (100%)
(3) Number of interests held after acquisition	All interests of Fundare (100%)

7) Schedule

(1) Date of resolution by the Board of Directors	August 6, 2026
(2) Date of contract	August 6, 2026 (Scheduled for local time)
(3) Date of Interest Transfer	Third quarter of the fiscal year ending March 2027 (Schedule)

2. Outlook for future performance

Upon completion of the agreed closing procedures, JAPEX, through Peoria, plans to close the acquisition of Fundare's equity interest in the third quarter of the fiscal year ending March 2027. As Fundare has fiscal years ending in December, they will contribute to JAPEX's consolidated results from the fourth quarter of the fiscal year ending March 2027. We expect this equity interest acquisition to contribute approximately 1 billion yen or more to operating profit for the current fiscal year, which is incorporated into the consolidated financial forecast for the fiscal year ending March 2027 released today.

Furthermore, an annual operating profit contribution of approximately 15 billion yen is expected for the financial year ending March 2028.

(Reference) Overview of tight oil and gas assets

Location	Denver-Julesburg Basin (D-J Basin) (Colorado) Green River Basin (Wyoming)
Oil-gas production ratio	Denver-Julesburg Basin (D-J Basin) (Colorado) Light oil: 55%, Natural gas liquids:19%, Natural gas:26% Green River Basin (Wyoming) Light oil: 7%, Natural gas liquids:18%, Natural gas:75%
Main assets	Wells in production: Approx.800
Interest ratio	Varying by lease agreement
Sales and transportation	Selling to wholesale distributors within the U.S.

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