Consolidated Financial Results for the Six Months Ended September 30, 2026 <under Japanese GAAP>

November 12, 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: December 14, 2026
Scheduled date to file semi-annual securities report: November 12, 2026
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 six months ended September 30, 2026 (April 1, 2026–September 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	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2026	152,668	(9.2)	30,047	17.8	33,650	2.2	30,820	13.9
September 30, 2025	168,140	(8.4)	25,507	(11.3)	32,937	27.6	27,055	28.0

Note: Comprehensive income: Six months ended September 30, 2026: 13,932 million yen [(34.2)%]
Six months ended September 30, 2025: 21,178 million yen [(17.7)%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2026	120.39	–
September 30, 2025	105.72	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2026	893,869	661,252	70.4
As of March 31, 2026	862,470	658,897	72.8

Reference: Equity As of September 30, 2026: 629,065 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	–	22.50			
Fiscal year ending March 31, 2027 (Forecast)			–	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	336,000	(1.3)	52,000	33.6	53,000	(13.9)	70,000	31.0	273.41

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

* Notes

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

(2) Application of specific accounting for preparing semi-annual consolidated financial statements: Yes

Note: For details, please refer to "(3) Notes to semi-annual consolidated financial statements (Notes on specific accounting for preparing semi-annual consolidated financial statements)" of "2. Semi-annual consolidated financial statements and significant notes thereto" on page 9.

(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 September 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 September 30, 2026	966,916 shares
As of March 31, 2026	1,000,978 shares

c. Average number of shares outstanding during the period

Six months ended September 30, 2026	256,012,218 shares
Six months ended September 30, 2025	255,929,344 shares

* The Japanese-language originals of semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit corporation.

* 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.

(Attached Material)

1. Overview of operating results and others

(1) Overview of operating results for the six months ended September 30, 2026

During the six months ended September 30, 2026, net sales were ¥152,668 million, a decrease of ¥15,472 million (−9.2%) year on year. Gross profit was ¥52,973 million, an increase of ¥9,436 million (+21.7%) year on year. Main factors behind the year-on-year decrease in net sales and increase in gross profit were that the E&P Business recorded increases in both net sales and gross profit due to higher crude oil prices and increased crude oil sales volumes in North America, while net sales declined as the negative impact of reduced purchase and sales of oil products outweighed these positive factors.

Exploration expenses were ¥4,329 million, an increase of ¥3,591 million (+486.8%) year on year. Selling, general and administrative expenses were ¥18,596 million, an increase of ¥1,305 million (+7.5 %) year on year. As a result, operating profit was ¥30,047 million, an increase of ¥4,539 million (+17.8%) year on year.

Ordinary profit was ¥33,650 million, an increase of ¥712 million (+2.2%) year on year, impacted by a decline in non-operating items due mainly to a turnaround from foreign exchange gains to foreign exchange losses.

Profit before income taxes increased by ¥10,032 million (+29.6%) year on year to ¥43,981 million. Profit attributable to owners of parent increased by ¥3,764 million (+13.9%) year on year to ¥30,820 million.

Below is a breakdown of net sales.

(i) E&P Business
Net sales from the E&P Business came to ¥62,964 million, an increase of ¥6,459 million (+11.4%) year on year, mainly due to an increase in the sales prices of crude oil.

(ii) Infrastructure/Utility Business
Net sales from the Infrastructure/Utility Business came to ¥78,645 million, a decrease of ¥1,333 million (−1.7%) 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) and fuel oil, as well as other subcontracted tasks, came to ¥11,058 million, a decrease of ¥20,598 million (−65.1 %) year on year.

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

Total assets as of September 30, 2026 increased by ¥31,399 million from the previous fiscal year-end to ¥893,869 million.

Current assets increased by ¥62,531 million from the previous fiscal year-end. This was mainly due to increases in cash and deposits, as well as notes and accounts receivable - trade, and contract assets. Non-current assets decreased by ¥31,132 million from the previous fiscal year-end. This was mainly due to a decrease in investment securities resulting from the decline in market values and sales.

Total liabilities increased by ¥29,044 million from the previous fiscal year-end to ¥232,617 million.

Current liabilities decreased by ¥19,635 million from the previous fiscal year-end. This was mainly due to a decrease in commercial paper included in accounts payable - other and other, despite an increase in income taxes payable. Non-current liabilities increased by ¥48,680 million from the previous fiscal year-end. This was mainly due to increases in long-term borrowings and bonds payable, despite a decrease in deferred tax liabilities resulting from the decline in the market values of investment securities.

Net assets increased by ¥2,355 million from the previous fiscal year-end to ¥661,252 million. This was mainly due to increases in retained earnings and foreign currency translation adjustment, despite a decrease in valuation difference on available-for-sale securities.

(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 August 6, 2026.

Please refer to the “Notice of Financial Forecasts Revision” disclosed on November 12, 2026, the same day of this report.

2. Semi-annual consolidated financial statements and significant notes thereto

(1) Semi-annual consolidated balance sheet

(Millions of yen)

	As of March 31, 2026	As of September 30, 2026
Assets		
Current assets		
Cash and deposits	54,259	102,710
Notes and accounts receivable - trade, and contract assets	40,280	55,147
Securities	3,000	3,000
Merchandise and finished goods	3,880	3,862
Work in process	27	277
Raw materials and supplies	14,073	16,810
Other	40,102	36,346
Allowance for doubtful accounts	(265)	(264)
Total current assets	155,359	217,890
Non-current assets		
Property, plant and equipment		
Wells, net	105,025	101,511
Mineral resources, net	173,370	174,403
Other, net	94,994	97,748
Total property, plant and equipment	373,390	373,663
Intangible assets	5,537	5,436
Investments and other assets		
Investment securities	274,024	236,893
Other	54,197	60,024
Allowance for doubtful accounts	(38)	(38)
Total investments and other assets	328,183	296,878
Total non-current assets	707,111	675,978
Total assets	862,470	893,869

(Millions of yen)

	As of March 31, 2026	As of September 30, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,398	3,571
Accounts payable - other	51,525	41,090
Provisions	484	369
Income taxes payable	3,103	13,683
Other	30,780	10,940
Total current liabilities	89,291	69,655
Non-current liabilities		
Bonds payable	–	20,000
Long-term borrowings	–	40,800
Deferred tax liabilities	60,292	49,353
Retirement benefit liability	3,315	3,360
Asset retirement obligations	40,139	38,205
Provisions	345	538
Other	10,187	10,703
Total non-current liabilities	114,280	162,961
Total liabilities	203,572	232,617
Net assets		
Shareholders' equity		
Share capital	14,288	14,288
Retained earnings	486,089	505,354
Treasury shares	(925)	(897)
Total shareholders' equity	499,452	518,745
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	94,349	66,611
Deferred gains or losses on hedges	19,666	17,275
Foreign currency translation adjustment	11,418	23,968
Remeasurements of defined benefit plans	2,650	2,463
Total accumulated other comprehensive income	128,084	110,319
Non-controlling interests	31,359	32,187
Total net assets	658,897	661,252
Total liabilities and net assets	862,470	893,869

(2) Semi-annual consolidated statement of income and Semi-annual consolidated statement of comprehensive income

Semi-annual consolidated statement of income

(Millions of yen)

	Six months ended September 30, 2025	Six months ended September 30, 2026
Net sales	168,140	152,668
Cost of sales	124,603	99,695
Gross profit	43,536	52,973
Exploration expenses	737	4,329
Selling, general and administrative expenses	17,291	18,596
Operating profit	25,507	30,047
Non-operating income		
Interest income	1,157	774
Dividend income	1,448	1,819
Share of profit of entities accounted for using equity method	2,557	2,077
Foreign exchange gains	2,303	–
Gain on valuation of derivatives	1,290	2,886
Other	1,007	792
Total non-operating income	9,764	8,350
Non-operating expenses		
Interest expenses	429	1,672
Loss on derivatives	1,256	753
Foreign exchange losses	–	1,649
Other	650	671
Total non-operating expenses	2,335	4,747
Ordinary profit	32,937	33,650
Extraordinary income		
Gain on sale of investment securities	–	10,333
Gain on sale of shares of subsidiaries	862	–
Other	156	3
Total extraordinary income	1,018	10,336
Extraordinary losses		
Loss on retirement of non-current assets	6	5
Other	0	–
Total extraordinary losses	7	5
Profit before income taxes	33,949	43,981
Income taxes	6,555	12,283
Profit	27,393	31,698
Profit attributable to non-controlling interests	337	878
Profit attributable to owners of parent	27,055	30,820

Semi-annual consolidated statement of comprehensive income

(Millions of yen)

	Six months ended September 30, 2025	Six months ended September 30, 2026
Profit	27,393	31,698
Other comprehensive income		
Valuation difference on available-for-sale securities	12,929	(27,741)
Deferred gains or losses on hedges	904	(2,556)
Foreign currency translation adjustment	(21,231)	12,496
Remeasurements of defined benefit plans, net of tax	(123)	(187)
Share of other comprehensive income of entities accounted for using equity method	1,306	223
Total other comprehensive income	(6,215)	(17,766)
Comprehensive income	21,178	13,932
Comprehensive income attributable to:		
Owners of parent	20,840	13,055
Non-controlling interests	337	877

(3) Notes to semi-annual consolidated financial statements

(Notes on specific accounting for preparing semi-annual 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 six months ended September 30, 2026, and next by multiplying the semi-annual 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 Six months ended September 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 semi-annual consolidated statement of income (Note) 2
	Japan	North America	Europe	Middle East	Total				
Net sales									
Net sales to external customers	119,926	29,162	7,185	11,867	168,140	–	168,140	–	168,140
Intersegment sales or transfers	–	–	–	–	–	–	–	–	–
Total	119,926	29,162	7,185	11,867	168,140	–	168,140	–	168,140
Segment profit	17,289	10,910	2,194	1,345	31,740	–	31,740	(6,232)	25,507

Notes: 1. The segment profit adjustment of ¥(6,232) million includes intersegment eliminations of ¥498 million and corporate expenses that are not allocated to any reportable segments of ¥(6,731) 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 semi-annual consolidated statement of income.

II Six months ended September 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 semi-annual consolidated statement of income (Note) 2
	Japan	North America	Europe	Middle East	Total				
Net sales									
Net sales to external customers	101,010	44,808	6,127	721	152,668	–	152,668	–	152,668
Intersegment sales or transfers	–	–	–	–	–	–	–	–	–
Total	101,010	44,808	6,127	721	152,668	–	152,668	–	152,668
Segment profit	10,705	23,050	3,301	379	37,436	–	37,436	(7,389)	30,047

Notes: 1. The segment profit adjustment of ¥(7,389) million includes intersegment eliminations of ¥0 million and corporate expenses that are not allocated to any reportable segments of ¥(7,389) 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 semi-annual 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 on significant subsequent events)
Business combination through acquisition
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 and three other companies (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 ("Peoria"), a consolidated subsidiary (second-tier subsidiary) of JAPEX. On the same date, JAPEX entered into a Membership Interest Purchase Agreement and completed the acquisition of the equity interests on October 1, 2026.

1. Outline of the business combination
   (1) Names of the acquirees and details of their business
   Names: Fundare Resources Operating Company, LLC
   Fundare Redtail, LLC
   Rangeview Resources Operating Company, LLC
   Rangeview Green River, LLC
   Details of business: Exploration, development, and production of oil and natural gas in the U.S.
   (2) Reason for the acquisition of the membership interests
   In February 2026, JAPEX acquired tight oil and gas assets (the "Verdad Assets") through Peoria and has been promoting production and development activities as the operator. The principal leases held by the Fundare Companies acquired in this transaction are located adjacent to the Verdad Assets. This proximity is expected to facilitate efficient development by leveraging the advantages of the location and reduce unit costs as the business expands.
   JAPEX and Peoria intend to pursue production and development of both the Verdad Assets and the tight oil and gas assets held by the Fundare Companies, with the aim of generating revenue at an early stage. In addition, while accumulating operational expertise as an operator, JAPEX and Peoria will explore new business opportunities.
   (3) Date of the business combination
   October 1, 2026
   (4) Legal form of the business combination
   Acquisition of membership interests in exchange for cash
   (5) Ratio of voting rights held after the acquisition
   100%
   (6) Basis for determining the acquirer
   JAPEX was identified as the acquirer based on its acquisition of the membership interests in exchange for cash.

2. Acquisition cost of the acquired company and breakdown by type of consideration

Consideration for acquisition (cash)	US$278 million
Acquisition cost	US$278 million

Fund borrowings
Peoria Resources Acquisition Company, LLC, a consolidated subsidiary of JAPEX, borrowed funds under a reserve-based lending facility to partially finance the acquisition of membership interests in Fundare Resources Operating Company, LLC and three other companies.

Summary of the borrowing	Syndicated loan for which Wells Fargo Bank, National Association acts as the agent
Amount of borrowing	US$220 million
Borrowing rate	Base rate + spread
Date of borrowing	October 1, 2026
Maturity date	February 26, 2030

3. Supplemental information

Status of production and sales

(1) Production

		Six months ended September 30, 2025 (April 1, 2025– September 30, 2025)	Six months ended September 30, 2026 (April 1, 2026– September 30, 2026)	(Reference) Fiscal year ended March 31, 2026 (April 1, 2025– March 31, 2026)
E&P Business	Domestic crude oil (thousand bbl)	693	656	1,428
	Overseas crude oil (thousand bbl)	5,367	6,152	9,313
	Domestic natural gas (million cf)	7,200	6,739	14,969
	Overseas natural gas (million cf)	3,292	7,804	5,195
Infrastructure/ Utility Business	Electricity (million kWh)	1,413	975	2,852

(2) Sales

		Six months ended September 30, 2025 (April 1, 2025– September 30, 2025)		Six months ended September 30, 2026 (April 1, 2026– September 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)	773	8,290	640	11,307	1,542	17,114
	Crude oil (overseas) (thousand bbl)	4,759	45,013	4,893	50,531	9,109	87,852
	Natural gas (overseas) (million cf)	3,346	3,201	7,809	1,126	5,233	4,289
	Subtotal		56,504		62,964		109,257
Infrastructure/ Utility Business	Natural gas (Japan) (million cf)	13,868	32,228	13,400	30,939	32,770	73,345
	LNG (t)	71,356	8,524	74,695	13,520	231,386	23,112
	Electricity (million kWh)	1,716	25,083	1,208	21,416	3,361	48,460
	Biomass fuel (t)	395,430	11,541	307,624	10,299	732,870	21,625
	Other		2,599		2,469		5,804
	Subtotal		79,978		78,645		172,349
Other Businesses	Contract services		3,346		6,638		10,807
	Oil products/ merchandise		27,240		3,429		45,441
	Other		1,070		990		2,481
	Subtotal		31,657		11,058		58,730
Total			168,140		152,668		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 JAPEX’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.