

Consolidated Financial Results for the Three Months Ended June 30, 2025

<under Japanese GAAP>

August 7, 2025

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

Company name: Japan Petroleum Exploration Co., Ltd.
 Listing: Prime Market, Tokyo Stock Exchange
 Securities code: 1662
 URL: <https://www.japex.co.jp/en/>
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 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, 2025 (April 1, 2025 – June 30, 2025)

(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, 2025	82,844	(7.4)	16,699	29.0	20,810	25.7	15,714	36.7
June 30, 2024	89,465	45.9	12,948	0.3	16,560	(9.1)	11,493	(11.6)

Note: Comprehensive income: Three months ended June 30, 2025: 3,627 million yen ((76.6)%
 Three months ended June 30, 2024: 15,535 million yen ((28.8)%)

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2025	61.41	—
June 30, 2024	43.89	—

Note: JAPEX conducted a 5-for-1 stock split of shares of common stock on October 1, 2024. Basic earnings per share were calculated assuming that the stock split was conducted at the beginning of the previous fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2025	677,635	553,040	77.3
As of March 31, 2025	681,598	557,257	77.4

Reference: Equity As of June 30, 2025: 523,644 million yen As of March 31, 2025: 527,744 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, 2025	—	125.00	—	30.00	—
Fiscal year ending March 31, 2026	—				
Fiscal year ending March 31, 2026 (Forecast)		20.00	—	20.00	40.00

Notes: 1. Revisions to the latest forecasts of cash dividends: None
2. JAPEX conducted a 5-for-1 stock split of shares of common stock on October 1, 2024. The year-end dividend per share for the fiscal year ended March 31, 2025 is stated after considering the effect of such the stock split, and the total annual dividend is expressed as “-.” If the stock split is not considered, the year-end dividend for the fiscal year ended March 31, 2025 will be 150.00 yen, and the total annual dividend will be 275.00 yen.

3. Consolidated financial forecasts for the fiscal year ending March 31, 2026 (April 1, 2025 – March 31, 2026) (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, 2026	330,000	(15.2)	31,000	(50.0)	39,300	(38.8)	33,000	(59.3)	128.95

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: Yes

New inclusion: one company (Peoria Resources LLC)

Exclusion: —

Note: For details, please refer to “(3) Notes to quarterly consolidated financial statements (Changes in the scope of consolidation or the scope of application of the equity method)” of “2. Quarterly consolidated financial statements and significant notes thereto” on page 10 of the attached material.

(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 to specific accounting for preparing quarterly consolidated financial statements)” of “2. Quarterly consolidated financial statements and significant notes thereto” on page 10 of the attached material.

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

- Changes in accounting policies due to revisions to accounting standards and other regulations: None
- Changes in accounting policies due to other reasons: None
- Changes in accounting estimates: None
- Restatement: None

(4) Number of issued shares (common shares)

- Total number of issued shares at the end of the period (including treasury shares)
 - As of June 30, 2025 257,000,380 shares
 - As of March 31, 2025 257,000,380 shares
- Number of treasury shares at the end of the period
 - As of June 30, 2025 1,087,980 shares
 - As of March 31, 2025 1,087,980 shares
- Average number of shares during the period (cumulative from the beginning of the fiscal year)
 - Three months ended June 30, 2025 255,912,400 shares
 - Three months ended June 30, 2024 261,895,422 shares

Note: JAPEX conducted a 5-for-1 stock split of shares of common stock on October 1, 2024. Total number of issued shares at the end of the period, number of treasury shares at the end of the period and average number of shares during the period were calculated assuming that the stock split was conducted at the beginning of the previous fiscal year.

* 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, 2025

During the three months ended June 30, 2025, net sales was ¥82,844 million, a decrease of ¥6,621 million (-7.4%) year on year. Gross profit was ¥25,321 million, an increase of ¥3,042 million (+13.7%) year on year. Main factors behind the year-on-year decrease for net sales and increase for gross profit include an increase in profits for the overseas business due to the growth of sales volume for crude oil and natural gas in North America and Europe, despite a decrease for net sales due to the decrease of purchase and sales volume of LNG.

Exploration expenses was ¥251 million, a decrease of ¥1,461 million (-85.3%) year on year. Selling, general and administrative expenses was ¥8,369 million, an increase of ¥753 million (+9.9%) year on year. As a result, operating profit was ¥16,699 million, an increase of ¥3,751 million (+29.0%) year on year.

Ordinary profit was ¥20,810 million, an increase of ¥4,250 million (+25.7%) year on year, due mainly to a reversal from a share of loss of entities accounted for using equity method to a share of profit, and the recording of a gain on valuation of derivatives.

Profit before income taxes increased by ¥4,248 million year on year to ¥20,807 million. Profit attributable to owners of parent increased by ¥4,220 million year on year to ¥15,714 million.

Below is a breakdown of net sales.

(i) E&P Business

Net sales from the E&P Business came to ¥27,309 million, a decrease of ¥2,526 million (-8.5%) year on year, mainly due to a drop in crude oil prices and the decline of sales volume for crude oil in the Middle East, despite the growth of sales volume for crude oil and natural gas in North America and Europe.

(ii) Infrastructure/Utility Business

Net sales from the Infrastructure/Utility Business came to ¥39,765 million, a decrease of ¥3,984 million (-9.1%) year on year. This was mainly the result of a decrease in sales volume for LNG.

(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 ¥15,769 million, a decrease of ¥110 million (-0.7%) year on year.

(2) Overview of financial position for the three months ended June 30, 2025

Total assets at the end of the first quarter decreased by ¥3,962 million from the previous fiscal year-end to ¥677,635 million.

Current assets decreased by ¥5,052 million from the previous fiscal year-end. This was mainly due to decreases in notes and accounts receivable - trade, and contract assets. Non-current assets increased by ¥1,089 million from the previous fiscal year-end. This was mainly due to increases resulting from the purchase of investment securities and the recording of recoverable accounts included in other under investments and other assets, despite a decrease in the yen equivalents of property, plant and equipment of overseas subsidiaries due to the appreciation of the yen.

Liabilities increased by ¥253 million from the previous fiscal year-end to ¥124,594 million.

Current liabilities decreased by ¥1,564 million from the previous fiscal year-end. This was mainly due to a decrease in income taxes payable, despite an increase in asset retirement obligations included in other due to transfers from non-current liabilities. Non-current liabilities increased by ¥1,818 million from the previous fiscal year-end. This was mainly due to an increase in other under non-current liabilities, despite a decrease in asset retirement obligations due to transfers to current liabilities, etc.

Net assets decreased by ¥4,216 million from the previous fiscal year-end to ¥553,040 million. This was mainly due to a decrease in foreign currency translation adjustment, despite an increase in retained earnings.

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

The consolidated financial forecasts for the fiscal year ending March 31, 2026 have been revised from the forecasts announced on May 13, 2025.

Please refer to the “Notice of Financial Forecasts Revision” disclosed on August 7, 2025, the same day of this report.

2. Quarterly consolidated financial statements and significant notes thereto

(1) Quarterly consolidated balance sheet

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	118,358	146,338
Notes and accounts receivable - trade, and contract assets	44,557	38,950
Securities	24,000	7,000
Merchandise and finished goods	3,368	3,167
Work in process	62	183
Raw materials and supplies	14,332	12,775
Other	26,222	17,432
Allowance for doubtful accounts	(63)	(63)
Total current assets	230,838	225,785
Non-current assets		
Property, plant and equipment		
Wells, net	122,209	116,648
Other, net	105,380	103,871
Total property, plant and equipment	227,590	220,520
Intangible assets	5,095	4,926
Investments and other assets		
Investment securities	180,280	182,467
Other	37,832	43,973
Allowance for doubtful accounts	(38)	(38)
Total investments and other assets	218,074	226,403
Total non-current assets	450,760	451,849
Total assets	681,598	677,635

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	11,150	10,758
Income taxes payable	11,943	4,863
Provisions	154	183
Other	25,903	31,782
Total current liabilities	49,152	47,587
Non-current liabilities		
Deferred tax liabilities	33,134	33,701
Retirement benefit liability	3,288	3,227
Provisions	328	302
Asset retirement obligations	34,311	32,144
Other	4,126	7,630
Total non-current liabilities	75,188	77,007
Total liabilities	124,340	124,594
Net assets		
Shareholders' equity		
Share capital	14,288	14,288
Retained earnings	445,499	453,511
Treasury shares	(997)	(997)
Total shareholders' equity	458,791	466,803
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	36,630	36,933
Deferred gains or losses on hedges	11,513	10,288
Foreign currency translation adjustment	18,795	7,667
Remeasurements of defined benefit plans	2,014	1,952
Total accumulated other comprehensive income	68,953	56,841
Non-controlling interests	29,512	29,396
Total net assets	557,257	553,040
Total liabilities and net assets	681,598	677,635

(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, 2024	Three months ended June 30, 2025
Net sales	89,465	82,844
Cost of sales	67,187	57,522
Gross profit	22,278	25,321
Exploration expenses	1,713	251
Selling, general and administrative expenses	7,616	8,369
Operating profit	12,948	16,699
Non-operating income		
Interest income	705	533
Dividend income	68	111
Share of profit of entities accounted for using equity method	—	1,766
Foreign exchange gains	4,086	318
Gain on valuation of derivatives	—	1,783
Other	104	489
Total non-operating income	4,964	5,002
Non-operating expenses		
Interest expenses	598	410
Share of loss of entities accounted for using equity method	589	—
Loss on investments in silent partnerships	21	285
Other	142	195
Total non-operating expenses	1,352	892
Ordinary profit	16,560	20,810
Extraordinary income		
Gain on sale of non-current assets	—	0
Total extraordinary income	—	0
Extraordinary losses		
Loss on retirement of non-current assets	1	3
Total extraordinary losses	1	3
Profit before income taxes	16,558	20,807
Income taxes	3,669	5,067
Profit	12,889	15,740
Profit attributable to non-controlling interests	1,395	25
Profit attributable to owners of parent	11,493	15,714

Quarterly consolidated statement of comprehensive income

(Millions of yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Profit	12,889	15,740
Other comprehensive income		
Valuation difference on available-for-sale securities	1,421	302
Deferred gains or losses on hedges	(2,484)	(719)
Foreign currency translation adjustment	2,424	(12,070)
Remeasurements of defined benefit plans, net of tax	(64)	(61)
Share of other comprehensive income of entities accounted for using equity method	1,349	436
Total other comprehensive income	2,646	(12,112)
Comprehensive income	15,535	3,627
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	14,139	3,602
Comprehensive income attributable to non-controlling interests	1,396	25

(3) Notes to quarterly consolidated financial statements

(Changes in the scope of consolidation or the scope of application of the equity method)

Significant changes in the scope of consolidation

During the first quarter, Peoria Resources LLC was newly established and included in the scope of consolidation.

(Notes to 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) and current liabilities (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 first quarter, 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.

(Additional information)

Transfer of shares of subsidiaries

JAPEX's Executive Committee resolved on May 29, 2025 to transfer all shares of its consolidated subsidiary, Japex Energy Co., Ltd. ("JPE"), to Astomos Energy Corporation, and entered into a share transfer agreement on the same date. Pursuant to this agreement, the first share transfer was completed on June 25, 2025.

(1) Reason for the share transfer

Since the acquiring JPE in 2009, JAPEX has pursued initiatives such as selling petroleum products including LPG and fuel oil, through JPE.

In a bid to strengthen profitability and build a medium to long-term business foundation while contributing to realizing a carbon-neutral society under the JAPEX Management Plan 2022-2030, the medium to long-term management plan for the period 2022 to 2030 formulated in March 2022, JAPEX has decided to transfer all shares in JPE as part of a review of its business portfolio.

(2) Outline of the consolidated subsidiary to be transferred

Name Japex Energy Co., Ltd.

Details of business Purchase and sales of LNG, oil products, etc.

(3) Name of the company to which shares are transferred

Astomos Energy Corporation

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

Number of shares held before the transfer	900 shares (Number of voting rights: 900) (Percentage of voting rights held: 90%)
Number of shares transferred	900 shares (Number of voting rights: 900)
Transfer price	¥101 million
Number of shares held after the transfer	0 shares (Number of voting rights: 0) (Percentage of voting rights held: 0%)

(5) Date of the share transfer

First share transfer (334 shares): June 25, 2025

Second share transfer (566 shares): December 25, 2025 (scheduled)

(6) Future outlook

JPE is scheduled to be excluded from JAPEX's scope of consolidation in the fiscal year ending March 31, 2026. The impact of this share transfer on our consolidated financial results is immaterial.

(Notes to segment information, etc.)

I Three months ended June 30, 2024

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 outside clients	64,348	12,388	645	12,084	89,465	—	89,465	—	89,465
Intersegment sales or transfers	6	—	—	—	6	—	6	(6)	—
Total	64,354	12,388	645	12,084	89,472	—	89,472	(6)	89,465
Segment profit (loss)	9,957	4,853	(275)	1,503	16,039	—	16,039	(3,090)	12,948

- Notes: 1. The segment profit (loss) adjustment of ¥(3,090) million includes intersegment eliminations of ¥0 million and corporate expenses that are not allocated to any reportable segments of ¥(3,091) 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.

II 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 outside clients	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.

(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, 2025 is not prepared.
Depreciation (including amortization related to intangible assets, etc. excluding goodwill) for the three months ended June 30, 2024 and 2025 is as follows.

	(Millions of yen)	
	Three months ended June 30, 2024 (April 1, 2024 – June 30, 2024)	Three months ended June 30, 2025 (April 1, 2025 – June 30, 2025)
Depreciation	9,788	12,121

3. Supplemental information

Status of production and sales

(1) Production

		Three months ended June 30, 2024 (April 1, 2024 – June 30, 2024)	Three months ended June 30, 2025 (April 1, 2025 – June 30, 2025)	(Reference) Fiscal year ended March 31, 2025 (from April 1, 2024 – March 31, 2025)
E&P Business	Crude oil (kL)	382,714 (321,984)	484,174 (428,357)	1,645,209 (1,410,500)
	Natural gas (thousand m ³)	152,789 (36,070)	153,949 (46,848)	629,631 (151,386)
Infrastructure/ Utility Business	Electricity (thousand kWh)	525,465	610,371	3,076,160

Note: The figures in parentheses represent overseas production and are included in the total.

(2) Sales

		Three months ended June 30, 2024 (April 1, 2024 – June 30, 2024)		Three months ended June 30, 2025 (April 1, 2025 – June 30, 2025)		(Reference) Fiscal year ended March 31, 2025 (from April 1, 2024 – March 31, 2025)	
		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 (kL)	403,031	28,966	380,516	25,410	1,746,811	124,415
	Natural gas (overseas) (thousand m ³)	35,076	869	47,982	1,898	152,401	4,597
	Subtotal		29,836		27,309		129,012
Infrastructure/ Utility Business	Natural gas (Japan) (thousand m ³)	195,913	16,778	201,204	17,079	936,419	77,538
	LNG (t)	169,294	15,960	35,693	4,155	422,278	43,990
	Electricity (thousand kWh)	579,923	9,585	784,410	11,918	3,313,376	51,395
	Biomass fuel (t)	–	–	184,790	5,310	342,104	10,170
	Others		1,425		1,300		6,084
	Subtotal		43,749		39,765		189,178
Other Businesses	Contract services		1,662		1,046		8,572
	Oil products/ merchandise		13,605		14,270		59,598
	Others		611		452		2,720
	Subtotal		15,880		15,769		70,891
Total			89,465		82,844		389,082

- Notes: 1. “Crude oil” of the E&P Business includes 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. “Others” of the Infrastructure/Utility Business includes commissioned transportation of natural gas and contracted vaporization of LNG used for power plant fuel, etc. Biomass fuel sales, which had been counted as “Others” until the previous fiscal year, have become an independent item due to the increased materiality of its amounts.
4. Under the Other Businesses, “Oil products/merchandise” includes liquefied petroleum gas (LPG), fuel oil, gas oil and kerosene, and “Others” includes other subcontracted tasks.