

Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 <under Japanese GAAP>

May 14, 2024

Note: The following report is a summary 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/>
 Representative: YAMASHITA Michiro, Representative Director and President
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 Scheduled date of ordinary general shareholders' meeting: June 26, 2024
 Scheduled date to commence dividend payments: June 27, 2024
 Scheduled date to file Securities Report: June 26, 2024
 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 fiscal year ended March 31, 2024 (April 1, 2023 – March 31, 2024)

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

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2024	325,863	(3.2)	55,247	(11.0)	68,808	(17.2)	53,661	(20.4)
March 31, 2023	336,492	35.1	62,085	213.4	83,130	90.3	67,394	–

Note: Comprehensive income: FY2024/3: 108,087 million yen (57.9 %) FY2023/3: 68,436 million yen (– %)

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
March 31, 2024	994.43	–	11.5	11.2	17.0
March 31, 2023	1,236.65	–	16.9	16.0	18.5

Reference: Equity in earnings (losses) of affiliates: FY2024/3: 214 million yen FY2023/3: 7,109 million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2024	660,928	537,574	76.2	9,532.46
As of March 31, 2023	568,180	457,169	74.9	7,849.18

Reference: Equity As of March 31, 2024: 503,902 million yen As of March 31, 2023: 425,632 million yen

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2024	90,564	(99,659)	(28,596)	152,598
March 31, 2023	104,581	(52,723)	(14,506)	186,166

2. Cash dividends

	Annual dividends					Total annual cash dividends	Dividend payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	First quarter	Second quarter	Third quarter	Fiscal year-end	Annual			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2023	–	150.00	–	220.00	370.00	20,090	29.9	5.1
Fiscal year ended March 31, 2024	–	125.00	–	175.00	300.00	16,048	30.2	3.5
Fiscal year ending March 31, 2025 (Forecast)	–	125.00	–	25.00	–		30.1	

Note: At the Board of Directors held today (May 14, 2024), JAPEX passed a resolution to conduct a 5-for-1 stock split of shares of common stock, with an effective date of October 1, 2024. The year-end dividend per share for the fiscal year ending March 31, 2025 (forecast) 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 ending March 31, 2025 (forecast) will be 125.00 yen, and the total annual dividend will be 250.00 yen.

3. Consolidated financial forecasts for the fiscal year ending March 31, 2025 (April 1, 2024 – March 31, 2025)
(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, 2025	379,400	16.4	52,400	(5.2)	55,500	(19.3)	42,800	(20.2)	165.99

Note: Basic earnings per share is calculated considering the effect of the stock split as noted in "2. Cash dividends." Without considering the stock split, basic earnings per share in the consolidated earnings forecast for the fiscal year ending March 31, 2025 is 829.97 yen.

* Notes

- (1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) 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: Yes
 - d. Restatement: None

Note: For details, please refer to "(5) Notes to consolidated financial statements (Changes in accounting estimates)" of "3. Consolidated financial statements and significant notes thereto" on page 17 of the attached material.

(3) Number of issued shares (common shares)

- a. Total number of issued shares at the end of the period (including treasury shares)
 - As of March 31, 2024 54,300,076 shares
 - As of March 31, 2023 54,300,076 shares
- b. Number of treasury shares at the end of the period
 - As of March 31, 2024 1,438,286 shares
 - As of March 31, 2023 73,730 shares
- c. Average number of shares during the period
 - Fiscal year ended March 31, 2024 53,961,853 shares
 - Fiscal year ended March 31, 2023 54,497,361 shares

Reference: Summary of non-consolidated results

Non-consolidated financial results for the fiscal year ended March 31, 2024

(April 1, 2023 – March 31, 2024)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2024	190,114	(18.5)	36,347	(34.4)	54,808	(18.4)	46,872	(20.2)
March 31, 2023	233,160	74.5	55,373	313.0	67,169	72.1	58,769	–

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2024	868.63	–
March 31, 2023	1,078.40	–

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2024	552,910	449,211	81.2	8,497.85
As of March 31, 2023	492,716	381,522	77.4	7,035.75

Reference: Equity As of March 31, 2024: 449,211 million yen As of March 31, 2023: 381,522 million yen

* Financial results reports are not required to be audited 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 the Company and on certain assumptions deemed to be reasonable. As such, they do not constitute guarantees by the 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 the section of “(4) Future outlook” of “1. Overview of operating results and others” on page 7 of the attached material to the financial results report.

(Attached Material)

1. Overview of operating results and others

(1) Overview of operating results for the fiscal year under review

In the fiscal year ended March 31, 2024, the Japanese economy was on a gradual recovery path, mainly due to a pickup in personal consumption and improved employment conditions. However, there were concerns that a downturn in overseas economies, such as due to the effects of global monetary tightening and concerns about the future of the Chinese economy, may put downward pressure on the Japanese economy.

The Japan Crude Cocktail (JCC) price fell from the mid-\$80s per barrel at the beginning of the fiscal year to the lower \$80s per barrel in July mainly due to concerns over the slowdown in the US and Chinese economies. Thereafter, the price rose to the lower \$90s per barrel in November due to production cuts by Saudi Arabia and Russia, turmoil in the Middle East and other factors, but turned downward mainly due to the decision by OPEC+ not to strengthen the production cuts, with the JCC price finishing the fiscal year in the mid-\$80 level.

In the currency exchange market, the yen started the fiscal year in the mid-¥130/US\$ level, but the yen sharply depreciated from the first half to the second half of the fiscal year. Although the yen temporarily appreciated from December onwards, it weakened again toward the end of the fiscal year and was in the upper ¥140/US\$ level at the end of the fiscal year.

As for the domestic natural gas market, the JAPEX Group faced a severe domestic market environment due to a decline in demand driven by soaring gas prices, etc. resulting from the tense international situation following Russia's invasion of Ukraine in February 2022 and the significant depreciation of the yen, as well as the typical competition in the entire energy industry. Furthermore, in the domestic electricity market, spot market prices on the Japan Electric Power Exchange (JEPX) remained at low levels during the fiscal year under review due to factors such as the decline in LNG prices.

In recent years, the business environment surrounding the JAPEX Group has changed significantly, including the acceleration of the global move toward decarbonization. To respond promptly and flexibly to these changes in the business environment, in May 2021, we formulated and announced "JAPEX2050: Toward a Carbon-Neutral Society" which outlines the responsibilities and challenges we must take in order to achieve global net-zero CO₂ emissions by 2050, and the direction for JAPEX's future actions and business development, and then in March 2022, we formulated and announced the "JAPEX Management Plan 2022-2030," which is based on the basic policy of improving profitability and building a business foundation for 2030 and beyond. We are diligently promoting our businesses based on these plans.

During the fiscal year, net sales was ¥325,863 million, a decrease of ¥10,628 million (-3.2%) year on year. Gross profit was ¥87,296 million, a decrease of ¥8,814 million (-9.2%) year on year. Main factors behind the year-on-year decrease for net sales and decrease for gross profit include a decrease in the selling prices of crude oil, natural gas, LNG and electricity due to the calming of the market prices of crude oil and others compared to the previous fiscal year.

Exploration expenses was ¥3,536 million, an increase of ¥651 million (+22.6%) year on year. Selling, general and administrative expenses was ¥28,512 million, a decrease of ¥2,627 million (-8.4%) year on year. As a result, operating profit was ¥55,247 million, a decrease of ¥6,838 million (-11.0%) year on year.

Ordinary profit was ¥68,808 million, a decrease of ¥14,321 million (-17.2%) year on year, due mainly to decreases in share of profit of entities accounted for using equity method.

Profit before income taxes decreased by ¥14,299 million year on year to ¥68,784 million. Profit attributable to owners of parent decreased by ¥13,732 million year on year to ¥53,661 million.

Below is a breakdown of net sales.

(i) E&P Business

Net sales from the E&P Business came to ¥88,810 million, an increase of ¥32,747 million (+58.4%) year on year, mainly due to the growth of sales volume for crude oil in North America, Europe and the Middle East.

(ii) Infrastructure/Utility Business

Net sales from the Infrastructure/Utility Business came to ¥172,147 million, a decrease of ¥41,510 million (-19.4%) year on year. This was mainly the result of a decrease in the selling prices following the calming in the market prices for crude oil and others, and decreased sales volumes for natural gas and 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 ¥64,905 million, a decrease of ¥1,865 million (-2.8%) year on year.

Below is a summary of performance by segment (before elimination of intersegment transactions).

(1) Japan

Net sales in the Japan segment are mainly composed of crude oil, natural gas (including LNG), electricity, contract services, oil products and the like. In the fiscal year under review, net sales came to ¥256,470 million, a decrease of ¥46,577 million (-15.4%) year on year, mainly due to a decrease in the selling prices following the calming in the market prices for crude oil and others, and decreased sales volumes for natural gas and LNG. Segment profit decreased by ¥17,724 million (-25.7%) year on year to ¥51,130 million, mainly due to deteriorations in balance of sales revenue resulting from lower sales prices.

(2) North America

Net sales in the North America segment are mainly composed of crude oil and natural gas. In the fiscal year under review, net sales came to ¥30,607 million, an increase of ¥21,445 million (+234.1%) year on year, mainly due to the growth of sales volume for crude oil. Segment profit, like net sales, increased by ¥7,207 million (+171.2%) year on year to ¥11,417 million, mainly due to the growth of sales volume for crude oil.

(3) Europe

Net sales in the Europe segment are mainly composed of crude oil and natural gas. In the fiscal year under review, net sales came to ¥2,609 million, due to the start of production of crude oil and natural gas in the UK North Sea block located offshore Aberdeen. With respect to segment profit (loss), there was segment profit of ¥426 million (compared to segment loss of ¥170 million in the previous fiscal year).

(4) Middle East

Net sales from the Middle East segment are composed of crude oil. In the fiscal year under review, net sales came to ¥36,182 million, an increase of ¥11,899 million (+49.0%) year on year, mainly due to the growth of sales volume for crude oil. With respect to segment profit (loss), there was segment profit of ¥4,750 million (compared to segment loss of ¥112 million in the previous fiscal year).

(2) Overview of financial position for the fiscal year under review

Total assets at the end of this fiscal year increased by ¥92,748 million from the previous fiscal year-end to ¥660,928 million.

Current assets decreased by ¥32,022 million from the previous fiscal year-end. This was due to decreases in cash and deposits, and notes and accounts receivable - trade. Non-current assets increased by ¥124,771 million from the previous fiscal year-end. This was mainly due to an increase in property, plant and equipment owing to the recording of wells, and an increase in investment securities owing to a rise in their market values.

Liabilities increased by ¥12,343 million from the previous fiscal year-end to ¥123,354 million.

Current liabilities decreased by ¥15,155 million from the previous fiscal year-end. This was due mainly to decreases in notes and accounts payable - trade, and income taxes payable. Non-current liabilities increased by ¥27,498 million from the previous fiscal year-end. This was mainly due to an increase in deferred tax liabilities resulting from the rise in market values of investment securities and other factors.

Net assets increased by ¥80,405 million from the previous fiscal year-end to ¥537,574 million. The main factors were increases in retained earnings and in valuation difference on available-for-sale securities.

(3) Overview of cash flows for the fiscal year under review

As of March 31, 2024, cash and cash equivalents (hereinafter “net cash”) decreased by ¥33,567 million compared to the end of the previous fiscal year to ¥152,598 million. Below is a summary of cash flows for each activity.

(Cash flows from operating activities)

Net cash provided by operating activities amounted to ¥90,564 million. This was mainly due to profit before income taxes of ¥68,784 million and recovery of recoverable accounts of ¥27,775 million.

(Cash flows from investing activities)

Net cash used in investing activities amounted to ¥99,659 million. Net cash was mainly used in purchase of property, plant and equipment of ¥65,924 million and payments of recoverable accounts of ¥25,379 million, while net cash was provided by interest and dividends received of ¥10,712 million.

(Cash flows from financing activities)

Net cash used in financing activities was ¥28,596 million. Net cash was mainly used in dividends paid of ¥18,726 million and purchase of treasury shares of ¥7,973 million.

Reference: Trend of cash flow indicators

Fiscal years ended March 31	2020	2021	2022	2023	2024
Equity ratio (%)	64.2	64.0	78.7	74.9	76.2
Equity ratio on mark-to-market basis (%)	16.2	18.8	30.3	42.6	54.9
Interest-bearing debt to cash flow ratio (years)	1.8	2.6	–	0.0	0.0
Interest coverage ratio (times)	14.8	14.9	–	20,910.5	196.4

Equity ratio: Equity/Total assets

Equity ratio on mark-to-market basis: Total market capitalization/Total assets

Interest-bearing debt to cash flow ratio: Interest-bearing debt/Cash flows

Interest coverage ratio: Cash flow/Interest paid

Notes:

1. The above indicators are calculated based on consolidated financial figures.
2. Total market capitalization is calculated based on the number of shares outstanding (excluding treasury shares).
3. Cash flow here is cash flows from operating activities.
4. Interest-bearing debt is all debt subject to interest payments within liabilities (excluding lease obligations) shown on the consolidated balance sheet.
5. The interest-bearing debt to cash flow ratio and the interest coverage ratio for the fiscal year ended March 2022 are omitted since the cash flows from operating activities were negative.

(4) Future outlook

The latest financial forecasts are based on a JCC price of \$85 per barrel for the whole fiscal year, and an exchange rate of ¥140/\$ for the whole fiscal year. Actual non-consolidated results for the fiscal year under review came to \$86.28 per barrel and ¥143.28/\$.

Net sales for the fiscal year ending March 31, 2025 is expected to increase by ¥53,536 million (+16.4%) from the fiscal year under review to ¥379,400 million. This is mainly due to the expected growth in sales volume of crude oil in US, Europe and the Middle East.

Operating profit is expected to decrease by ¥2,847 million (-5.2%) to ¥52,400 million from the fiscal year under review, mainly due to an expected decrease in sales prices of crude oil, natural gas and electricity in Japan.

Ordinary profit is expected to decrease by ¥13,308 million (-19.3%) from the fiscal year under review to ¥55,500 million. This mainly reflects the absence of foreign exchange gains recorded in the fiscal year under review.

Profit attributable to owners of parent is expected to decrease by ¥10,861 million (-20.2%) from the fiscal year under review to ¥42,800 million.

(5) Basic Policy on Profit Distribution and Dividends for the Current and Next Fiscal Years

As stated in the “JAPEX Management Plan 2022-2030” disclosed in March 2022, JAPEX aims to sustainably increase corporate value through proactive investment using retained earnings and expansion of the business base from the fiscal year ended March 31, 2023, and has a basic policy of paying dividends in line with its business performance each fiscal year based on a target consolidated dividend payout ratio of 30% as a way to return these results to shareholders while striving to maintain the annual dividends of ¥50 per share even in the event of a temporary downturn in business performance due to factors such as changes in the business environment. (However, in the year when profit attributable to owners of parent fluctuates significantly due to extraordinary income or loss or other exceptional factors, the amount of dividend will be determined in consideration of such fluctuations.)

Based on the above policy, we intend to pay a year-end dividend of ¥175 per share for the fiscal year under review (ended March 31, 2024). Combined with the interim dividend, the annual dividend will be ¥300 per share.

At the Board of Directors held on May 14, 2024, JAPEX passed a resolution to conduct a 5-for-1 stock split of shares of common stock, with an effective date of October 1, 2024. The Company plans to pay an interim dividend of ¥125 per share and a year-end dividend of ¥25 per share for the next fiscal year (ending March 31, 2025). If the stock split is not considered, the annual dividend will be ¥250 per share (including an interim dividend of ¥125 per share).

2. Basic rationale for selecting the accounting standard

The JAPEX Group currently has a policy to prepare the consolidated financial statements based on the generally accepted accounting standards in Japan (Japanese GAAP), giving consideration to the possibility of comparing the consolidated financial statements between terms.

Concerning the adoption of International Financial Reporting Standards (IFRS), the JAPEX Group intends to respond appropriately giving due consideration to the situation in Japan and overseas.

3. Consolidated financial statements and significant notes thereto

(1) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	191,956	169,997
Notes and accounts receivable - trade	47,993	40,790
Contract assets	480	820
Securities	3,000	3,000
Merchandise and finished goods	2,216	2,602
Work in process	11	40
Raw materials and supplies	21,613	19,885
Other	14,574	12,684
Allowance for doubtful accounts	(54)	(53)
Total current assets	281,791	249,768
Non-current assets		
Property, plant and equipment		
Buildings and structures	181,787	194,088
Accumulated depreciation	(145,756)	(150,437)
Buildings and structures, net	36,030	43,650
Wells	94,048	163,906
Accumulated depreciation	(77,417)	(93,079)
Wells, net	16,630	70,826
Machinery, equipment and vehicles	147,047	156,073
Accumulated depreciation	(126,573)	(131,848)
Machinery, equipment and vehicles, net	20,473	24,225
Land	11,532	11,530
Construction in progress	28,284	16,003
Other	23,644	28,925
Accumulated depreciation	(18,184)	(18,860)
Other, net	5,460	10,064
Total property, plant and equipment	118,411	176,300
Intangible assets	5,569	5,265
Investments and other assets		
Investment securities	115,940	180,415
Long-term loans receivable	1,307	1,247
Deferred tax assets	3,813	5,738
Retirement benefit asset	1,703	3,363
Other	40,031	39,040
Allowance for doubtful accounts	(47)	(47)
Allowance for overseas investment loss	(341)	(163)
Total investments and other assets	162,407	229,593
Total non-current assets	286,388	411,160
Total assets	568,180	660,928

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	26,489	9,520
Current portion of long-term borrowings	260	250
Income taxes payable	9,333	5,309
Contract liabilities	155	115
Provision for loss on disaster	2,119	169
Other	25,892	33,730
Total current liabilities	64,250	49,095
Non-current liabilities		
Long-term borrowings	250	–
Deferred tax liabilities	20,461	41,739
Retirement benefit liability	3,428	3,414
Asset retirement obligations	20,043	24,687
Other	2,577	4,417
Total non-current liabilities	46,759	74,258
Total liabilities	111,010	123,354
Net assets		
Shareholders' equity		
Share capital	14,288	14,288
Retained earnings	362,989	397,846
Treasury shares	(136)	(8,094)
Total shareholders' equity	377,141	404,040
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	46,324	84,686
Deferred gains or losses on hedges	(699)	8,704
Foreign currency translation adjustment	2,275	4,881
Remeasurements of defined benefit plans	590	1,589
Total accumulated other comprehensive income	48,491	99,862
Non-controlling interests	31,536	33,671
Total net assets	457,169	537,574
Total liabilities and net assets	568,180	660,928

(2) Consolidated statement of income and Consolidated statement of comprehensive income
Consolidated statement of income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	336,492	325,863
Cost of sales	240,380	238,567
Gross profit	96,111	87,296
Exploration expenses	2,885	3,536
Selling, general and administrative expenses	*1 *2 31,139	*1 *2 28,512
Operating profit	62,085	55,247
Non-operating income		
Interest income	1,173	2,265
Dividend income	3,520	4,090
Share of profit of entities accounted for using equity method	7,109	214
Foreign exchange gains	5,332	7,634
Gain on derivatives	6,082	—
Other	373	1,495
Total non-operating income	23,592	15,700
Non-operating expenses		
Interest expenses	5	626
Administrative expenses of inactive oil and gas field	47	821
Commitment fees	312	320
Provision for loss on disaster	1,509	49
Other	673	320
Total non-operating expenses	2,547	2,139
Ordinary profit	83,130	68,808
Extraordinary income		
Gain on sale of non-current assets	0	1
Total extraordinary income	0	1
Extraordinary losses		
Loss on sale of non-current assets	8	0
Loss on retirement of non-current assets	38	25
Total extraordinary losses	46	25
Profit before income taxes	83,084	68,784
Income taxes - current	11,223	10,895
Income taxes - deferred	3,878	1,172
Total income taxes	15,102	12,067
Profit	67,981	56,716
Profit attributable to non-controlling interests	587	3,055
Profit attributable to owners of parent	67,394	53,661

Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	67,981	56,716
Other comprehensive income		
Valuation difference on available-for-sale securities	(2,019)	38,357
Deferred gains or losses on hedges	715	9,237
Foreign currency translation adjustment	1,993	2,636
Remeasurements of defined benefit plans, net of tax	(873)	998
Share of other comprehensive income of entities accounted for using equity method	639	141
Total other comprehensive income	454	51,370
Comprehensive income	68,436	108,087
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	67,848	105,032
Comprehensive income attributable to non-controlling interests	587	3,054

(3) Consolidated statement of changes in equity

Fiscal year ended March 31, 2023 (April 1, 2022 – March 31, 2023)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	14,288	2,607	310,592	(3,886)	323,602
Changes during period					
Dividends of surplus			(9,537)		(9,537)
Profit attributable to owners of parent			67,394		67,394
Change in scope of equity method			(63)		(63)
Purchase of treasury shares				(4,263)	(4,263)
Disposal of treasury shares				8	8
Cancellation of treasury shares		(8,004)		8,004	–
Transfer from retained earnings to capital surplus		5,396	(5,396)		–
Net changes in items other than shareholders' equity					
Total changes during period	–	(2,607)	52,396	3,749	53,539
Balance at end of period	14,288	–	362,989	(136)	377,141

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	48,346	(1,862)	89	1,464	48,036	31,131	402,770
Changes during period							
Dividends of surplus							(9,537)
Profit attributable to owners of parent							67,394
Change in scope of equity method							(63)
Purchase of treasury shares							(4,263)
Disposal of treasury shares							8
Cancellation of treasury shares							–
Transfer from retained earnings to capital surplus							–
Net changes in items other than shareholders' equity	(2,021)	1,163	2,185	(873)	454	405	859
Total changes during period	(2,021)	1,163	2,185	(873)	454	405	54,399
Balance at end of period	46,324	(699)	2,275	590	48,491	31,536	457,169

Fiscal year ended March 31, 2024 (April 1, 2023 – March 31, 2024)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	14,288	–	362,989	(136)	377,141
Changes during period					
Dividends of surplus			(18,732)		(18,732)
Profit attributable to owners of parent			53,661		53,661
Change in scope of equity method			(71)		(71)
Purchase of treasury shares				(7,973)	(7,973)
Disposal of treasury shares				15	15
Cancellation of treasury shares					–
Transfer from retained earnings to capital surplus					–
Net changes in items other than shareholders' equity					
Total changes during period	–	–	34,857	(7,957)	26,899
Balance at end of period	14,288	–	397,846	(8,094)	404,040

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	46,324	(699)	2,275	590	48,491	31,536	457,169
Changes during period							
Dividends of surplus							(18,732)
Profit attributable to owners of parent							53,661
Change in scope of equity method							(71)
Purchase of treasury shares							(7,973)
Disposal of treasury shares							15
Cancellation of treasury shares							–
Transfer from retained earnings to capital surplus							–
Net changes in items other than shareholders' equity	38,361	9,404	2,606	998	51,371	2,135	53,506
Total changes during period	38,361	9,404	2,606	998	51,371	2,135	80,405
Balance at end of period	84,686	8,704	4,881	1,589	99,862	33,671	537,574

(4) Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	83,084	68,784
Depreciation	14,257	27,646
Loss on retirement of property, plant and equipment	37	23
Loss (gain) on valuation of short-term and long-term investment securities	10	–
Increase (decrease) in allowance for doubtful accounts	4	(0)
Decrease (increase) in retirement benefit asset	616	(1,659)
Increase (decrease) in retirement benefit liability	51	(13)
Increase (decrease) in provision for loss on disaster	347	(1,967)
Increase (decrease) in allowance for overseas investment loss	44	(178)
Interest and dividend income	(4,693)	(6,355)
Interest expenses	5	626
Foreign exchange losses (gains)	(5,646)	(8,558)
Share of loss (profit) of entities accounted for using equity method	(7,109)	(214)
Recovery of recoverable accounts	18,295	27,775
Decrease (increase) in trade receivables	(893)	7,038
Decrease (increase) in inventories	(9,139)	1,391
Increase (decrease) in trade payables	21,537	(17,495)
Decrease (increase) in accounts receivable - other	(10,541)	9,191
Increase (decrease) in accrued consumption taxes	3,768	(4,175)
Other, net	721	2,863
Subtotal	104,759	104,722
Income taxes refund (paid)	(177)	(14,157)
Net cash provided by (used in) operating activities	104,581	90,564

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from investing activities		
Payments into time deposits	(36,106)	(56,233)
Proceeds from withdrawal of time deposits	34,453	45,757
Proceeds from sale and redemption of securities	30	–
Purchase of property, plant and equipment	(35,973)	(65,924)
Proceeds from sale of property, plant and equipment	2	3
Purchase of intangible assets	(191)	(317)
Payments for asset retirement obligations	(8)	(19)
Purchase of investment securities	(2,625)	(7,685)
Proceeds from sale and redemption of investment securities	674	318
Payments of recoverable accounts	(27,729)	(25,379)
Loan advances	(1,694)	(2,225)
Proceeds from collection of loans receivable	7,135	16
Interest and dividends received	8,974	10,712
Proceeds from dividends of residual property	271	378
Proceeds from capital reduction of investments	19	653
Proceeds from distributions from investment partnerships	145	749
Other, net	(101)	(465)
Net cash provided by (used in) investing activities	(52,723)	(99,659)
Cash flows from financing activities		
Repayments of long-term borrowings	(260)	(260)
Purchase of treasury shares	(4,263)	(7,973)
Dividends paid	(9,531)	(18,726)
Dividends paid to non-controlling interests	(181)	(919)
Interest paid	(5)	(461)
Repayments of lease liabilities	(264)	(256)
Net cash provided by (used in) financing activities	(14,506)	(28,596)
Effect of exchange rate change on cash and cash equivalents	4,301	4,123
Net increase (decrease) in cash and cash equivalents	41,653	(33,567)
Cash and cash equivalents at beginning of period	144,513	186,166
Cash and cash equivalents at end of period	* 186,166	* 152,598

(5) Notes to consolidated financial statements

(Notes on premise of going concern)

No item to report.

(Changes in accounting estimates)

Changes in asset retirement obligations estimates

Regarding the asset retirement obligations recorded as expenses pertaining to the future withdrawal of offshore platform and well abandonment in domestic oil and gas fields (hereinafter “expenses pertaining to the withdrawal, etc.”), the estimate of the expenses pertaining to the withdrawal, etc. required at the end of the projects was changed as a result of obtaining new information regarding the expenses pertaining to the withdrawal, etc. The amount increase of ¥2,966 million due to the estimate change was added to the asset retirement obligations balance from before the change.

Furthermore, due to said changes in the estimate, operating profit for the fiscal year under review decreased by ¥2,215 million, and ordinary profit and profit before income taxes both decreased by ¥2,929 million.

(Consolidated balance sheet)

Liabilities for guarantees

JAPEX provides a guarantee of obligation for borrowings, etc. from financial institutions to the following subsidiaries and associates.

(Millions of yen)			
As of March 31, 2023		As of March 31, 2024	
Abashiri Biomass Power 2 LLC.	2,218	Abashiri Biomass Power 3 LLC.	1,964
Abashiri Biomass Power 3 LLC.	2,107	Abashiri Biomass Power 2 LLC.	1,845
Ozu Biomass Power Co., Ltd.	412	Kumamoto Mirai LNG Co., Ltd.	19
Kumamoto Mirai LNG Co., Ltd.	25	Employees (borrowings for housing funds)	11
Employees (borrowings for housing funds)	16		
Total	4,781	Total	3,840

(Consolidated statement of income)

*1. Below is a breakdown of major expense items and amount of selling, general and administrative expenses:

(Millions of yen)		
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Personnel expenses	10,969	11,540
(of the above, retirement benefit expenses)	507	517
Taxes and dues	3,750	1,418
Subcontracting construction expenses	2,775	3,173
Depreciation	3,979	3,187

*2. Total amount of research and development expenses included in general and administrative expenses

(Millions of yen)	
Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
291	181

(Consolidated statement of changes in equity)
Fiscal year ended March 31, 2023 (April 1, 2022 – March 31, 2023)

1. Class and total number of issued shares and class and number of treasury shares

	Number of shares at the beginning of the fiscal year (shares)	Increase (shares)	Decrease (shares)	Number of shares at the end of the fiscal year (shares)
Issued shares				
Common shares	57,154,776	–	2,854,700	54,300,076
Total	57,154,776	–	2,854,700	54,300,076
Treasury shares				
Common shares	1,518,982	1,414,348	2,859,600	73,730
Total	1,518,982	1,414,348	2,859,600	73,730

- Notes: 1. The decrease of 2,854,700 shares in total issued shares of common shares comprises a decrease due to the cancellation of treasury shares by resolution of the Board of Directors.
2. The increase of 1,414,348 shares in treasury shares of common shares comprises an increase of 1,414,100 shares due to the acquisition of treasury shares by resolution of the Board of Directors and an increase of 248 shares due to the purchase of shares less than one unit.
3. The decrease of 2,859,600 shares in treasury shares of common shares comprises decreases due to 2,854,700 shares in cancellation of treasury shares by resolution of the Board of Directors and 4,900 shares in the provision of shares through the Board Benefit Trust (BBT).
4. The number of treasury shares of common shares includes shares held by the Board Benefit Trust (BBT) (76,000 shares at the beginning of the fiscal year ended March 31, 2023 and 71,100 shares at the end of the fiscal year ended March 31, 2023).

2. Dividends

(1) Cash dividends paid

Resolution	Class of shares	Total dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 28, 2022	Common shares	1,392	25	March 31, 2022	June 29, 2022
Meeting of the Board of Directors held on November 10, 2022	Common shares	8,144	150	September 30, 2022	December 12, 2022

- Notes: 1. The total amount of the dividend at the Ordinary General Meeting of Shareholders held on June 28, 2022 includes a dividend of ¥1 million for shares held by the Board Benefit Trust (BBT).
2. The total amount of the dividend at the meeting of the Board of Directors held on November 10, 2022 includes a dividend of ¥10 million for shares held by the Board Benefit Trust (BBT).

(2) Dividends payments whose record date is in the fiscal year under review but whose effective date is in the following fiscal year

Resolution	Class of shares	Total dividends (Millions of yen)	Resource of dividends	Dividends per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 27, 2023	Common shares	11,945	Retained earnings	220	March 31, 2023	June 28, 2023

- Note: The total amount of the dividend at the Ordinary General Meeting of Shareholders held on June 27, 2023 includes a dividend of ¥15 million for shares held by the Board Benefit Trust (BBT).

Fiscal year ended March 31, 2024 (April 1, 2023 – March 31, 2024)

1. Class and total number of issued shares and class and number of treasury shares

	Number of shares at the beginning of the fiscal year (shares)	Increase (shares)	Decrease (shares)	Number of shares at the end of the fiscal year (shares)
Issued shares				
Common shares	54,300,076	–	–	54,300,076
Total	54,300,076	–	–	54,300,076
Treasury shares				
Common shares	73,730	1,373,056	8,500	1,438,286
Total	73,730	1,373,056	8,500	1,438,286

- Notes:
- The increase of 1,373,056 shares in treasury shares of common shares comprises an increase of 1,373,000 shares due to the acquisition of treasury shares by resolution of the Board of Directors and an increase of 56 shares due to the purchase of shares less than one unit.
 - The decrease of 8,500 shares in treasury shares of common shares comprises a decrease in shares due to the provision of shares through the Board Benefit Trust (BBT).
 - The number of treasury shares of common shares includes shares held by the Board Benefit Trust (BBT) (71,100 shares at the beginning of the fiscal year ended March 31, 2024 and 62,600 shares at the end of the fiscal year ended March 31, 2024).
 - The Board of Directors resolved at its meeting held on November 10, 2023 to cancel treasury shares in accordance with the provisions of Article 178 of the Companies Act. However, the cancellation procedures were not completed for the following treasury shares by the end of the fiscal year ended March 31, 2024.
 Carrying value ¥7,972 million
 Class of shares Common shares
 Number of shares 1,373,000 shares

2. Dividends

(1) Cash dividends paid

Resolution	Class of shares	Total dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 27, 2023	Common shares	11,945	220	March 31, 2023	June 28, 2023
Meeting of the Board of Directors held on November 10, 2023	Common shares	6,787	125	September 30, 2023	December 12, 2023

- Notes:
- The total amount of the dividend at the Ordinary General Meeting of Shareholders held on June 27, 2023 includes a dividend of ¥15 million for shares held by the Board Benefit Trust (BBT).
 - The total amount of the dividend at the meeting of the Board of Directors held on November 10, 2023 includes a dividend of ¥7 million for shares held by the Board Benefit Trust (BBT).

(2) Dividends payments whose record date is in the fiscal year under review but whose effective date is in the following fiscal year

Resolution	Class of shares	Total dividends (Millions of yen)	Resource of dividends	Dividends per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 26, 2024	Common shares	9,261	Retained earnings	175	March 31, 2024	June 27, 2024

- Note: The total amount of the dividend to be resolved at the Ordinary General Meeting of Shareholders on June 26, 2024 includes a dividend of ¥10 million for shares held by the Board Benefit Trust (BBT).

(Consolidated statement of cash flows)

* Reconciliation of cash and cash equivalents at end of period and the amount recorded in the consolidated balance sheet

	(Millions of yen)	
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash and deposits	191,956	169,997
Time deposits with maturity over three months	(8,789)	(20,398)
Short-term investments, etc. having maturities within three months from the acquisition date		
(Securities) Money management fund and others	3,000	3,000
Cash and cash equivalents	186,166	152,598

(Segment information, etc.)

[Segment information]

1. Summary of reportable segments

The JAPEX Group's reportable segments are segments for which separated financial information is available and which are periodically examined by the Board of Directors to determine allocation of managerial resources and assess business performance, among components of the JAPEX Group. In addition to business activities in Japan, the JAPEX Group has developed business activities overseas through a project company established at each business location.

Therefore, the JAPEX Group consists of segments by business location and considers "Japan," "North America," "Europe" and "Middle East" as reportable segments.

"Japan" consists of business activities such as exploration, development, and production of crude oil and natural gas, and sales of crude oil as the E&P Business in Japan; sales of natural gas and LNG, contract services for transportation of natural gas, and generation and sales of electric power, etc. as the Infrastructure/Utility Business; and manufacturing, purchase, sale and transportation of oil products, contract services for well drilling work, etc. as the Other Businesses.

"North America" consists of business activities such as exploration, development, production, sale, etc. of crude oil and natural gas as E&P Business in North America.

"Europe" consists of business activities such as development, production, sale, etc. of crude oil and natural gas as E&P Business in Europe.

"Middle East" consists of business activities such as development, production, sale, etc. of crude oil as E&P Business in the Middle East.

2. Method for calculating net sales, profit (loss), assets and other items by reportable segment

The method for accounting for reported operating segments is basically the same as the description in

"Notes to significant accounting policies for preparation of consolidated financial statements" of the latest securities report submitted on June 27, 2023 (English version released on our website on August 24, 2023). Profit of reportable segments is the figure based on operating profit. Intersegment revenue and transfers are based on prevailing market prices.

3. Information regarding net sales, profit (loss), assets and other items by reportable segment

Fiscal year ended March 31, 2023 (April 1, 2022 – March 31, 2023)

(Millions of yen)

	Reportable segment					Others (Note) 1	Total	Adjustment (Note) 2	Amount on the consolidated financial statements (Note) 3
	Japan	North America	Europe	Middle East	Total				
Net sales									
Net sales to outside clients	303,047	9,161	–	24,283	336,492	–	336,492	–	336,492
Intersegment sales or transfers	–	–	–	–	–	–	–	–	–
Total	303,047	9,161	–	24,283	336,492	–	336,492	–	336,492
Segment profit (loss)	68,855	4,210	(170)	(112)	72,783	–	72,783	(10,697)	62,085
Segment assets	71,445	27,662	20,611	25,450	145,170	–	145,170	423,009	568,180
Other items									
Depreciation	10,044	3,654	–	293	13,991	–	13,991	265	14,257
Share of profit (loss) of entities accounted for using equity method	326	–	–	(11)	315	6,793	7,109	–	7,109
Investments in entities accounted for using equity method	1,107	–	–	286	1,394	10,269	11,664	–	11,664
Increase in property, plant and equipment and intangible assets	5,898	25,738	6,300	–	37,937	–	37,937	195	38,132

Fiscal year ended March 31, 2024 (April 1, 2023 – March 31, 2024)

(Millions of yen)

	Reportable segment					Others (Note) 1	Total	Adjustment (Note) 2	Amount on the consolidated financial statements (Note) 3
	Japan	North America	Europe	Middle East	Total				
Net sales									
Net sales to outside clients	256,463	30,607	2,609	36,182	325,863	–	325,863	–	325,863
Intersegment sales or transfers	6	–	–	–	6	–	6	(6)	–
Total	256,470	30,607	2,609	36,182	325,869	–	325,869	(6)	325,863
Segment profit	51,130	11,417	426	4,750	67,725	–	67,725	(12,477)	55,247
Segment assets	69,738	80,333	28,197	22,618	200,887	–	200,887	460,041	660,928
Other items									
Depreciation	11,161	15,181	695	293	27,331	–	27,331	315	27,646
Share of profit (loss) of entities accounted for using equity method	168	(49)	(529)	2	(407)	622	214	–	214
Investments in entities accounted for using equity method	1,526	1,457	3,032	–	6,015	7,532	13,547	–	13,547
Increase in property, plant and equipment and intangible assets	6,445	65,690	4,652	0	76,788	–	76,788	266	77,055

Notes: 1. The “Others” category represents operating segments that are not included in reportable segments, and includes Russia, etc.

2. Major components of adjustment are as follows:

(1) Segment profit

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Elimination of intersegment transactions	1	1
Corporate expenses *	(10,698)	(12,478)
Total	(10,697)	(12,477)

* 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 assets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Elimination of intersegment transactions	(10)	(9)
Corporate assets *1	2,277	1,604
Other assets *2	420,743	458,445
Total	423,009	460,041

*1. Corporate assets are mainly assets for management by the headquarters that do not belong to the reportable segments.

*2. Assets allocated to segments are recoverable accounts included in property, plant and equipment, intangible assets, and investments and other assets, whereas other assets are assets other than property, plant and equipment, intangible assets, and recoverable accounts that are not allocated to segments.

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

[Related information]

Fiscal year ended March 31, 2023 (April 1, 2022 – March 31, 2023)

1. Information by product or service

(Millions of yen)

	E&P Business		Infrastructure/Utility Business			
	Crude oil	Natural gas (overseas)	Natural gas (Japan)	LNG	Electricity	Others
Net sales to outside clients	55,703	360	97,360	51,572	58,735	5,988

	Other businesses			Total
	Contract services	Oil products/merchandise	Others	
Net sales to outside clients	7,750	56,573	2,447	336,492

2. Information by geographical area

(1) Net sales

(Millions of yen)

Japan	US	Iraq	Others	Total
303,009	9,161	24,299	21	336,492

Note: Net sales are classified into countries or regions based on the place where products, etc. were delivered and the location where services were rendered.

(2) Property, plant and equipment

(Millions of yen)

Japan	US	UK	Others	Total
72,789	25,010	20,611	–	118,411

3. Information by major client

(Millions of yen)

Name of client	Net sales	Related segment
TOHOKU NATURAL GAS Co., Inc.	38,133	Japan

Fiscal year ended March 31, 2024 (April 1, 2023 – March 31, 2024)

1. Information by product or service

(Millions of yen)

	E&P Business		Infrastructure/Utility Business			
	Crude oil	Natural gas (overseas)	Natural gas (Japan)	LNG	Electricity	Others
Net sales to outside clients	87,808	1,002	81,487	30,190	53,272	7,197

	Other businesses			Total
	Contract services	Oil products/merchandise	Others	
Net sales to outside clients	6,395	55,423	3,087	325,863

2. Information by geographical area

(1) Net sales

(Millions of yen)

Japan	US	Iraq	Others	Total
256,438	30,607	36,207	2,609	325,863

Note: Net sales are classified into countries or regions based on the place where products, etc. were delivered and the location where services were rendered.

(2) Property, plant and equipment

(Millions of yen)

Japan	US	UK	Others	Total
70,404	77,698	28,197	0	176,300

3. Information by major client

The information is omitted because there are no sales to external customers that account for 10% or more of the net sales in the consolidated statement of income.

(Per share information)

	Fiscal year ended March 31, 2023 (April 1, 2022 – March 31, 2023)	Fiscal year ended March 31, 2024 (April 1, 2023 – March 31, 2024)
Net assets per share	¥7,849.18	¥9,532.46
Basic earnings per share	¥1,236.65	¥994.43

Notes: 1. Diluted earnings per share is not presented, since there is no dilutive share.

2. The shares of JAPEX held by the Board Benefit Trust (BBT) are included in the treasury shares that are deducted from the total number of issued shares at the fiscal year end when calculating net assets per share (71,100 shares in the fiscal year ended March 31, 2023, and 62,600 shares in the fiscal year ended March 31, 2024).

Moreover, they are also included in the treasury shares that are deducted when calculating the average number of shares during the period in order to calculate basic earnings per share (72,604 shares in the fiscal year ended March 31, 2023, and 65,270 shares in the fiscal year ended March 31, 2024).

3. The basis for calculation of basic earnings per share is as follows:

	Fiscal year ended March 31, 2023 (April 1, 2022 – March 31, 2023)	Fiscal year ended March 31, 2024 (April 1, 2023 – March 31, 2024)
Profit attributable to owners of parent (Millions of yen)	67,394	53,661
Amounts not attributable to common shareholders (Millions of yen)	–	–
Profit attributable to owners of parent related to common shares (Millions of yen)	67,394	53,661
Average number of shares during the period (Thousands of shares)	54,497	53,961

(Significant subsequent events)

(Stock Split and Partial Amendment to the Articles of Incorporation)

JAPEX resolved at the Board of Directors held on May 14, 2024, to conduct a stock split and partially amend its Articles of Incorporation in connection with this split.

(1) Purpose of the stock split

The purpose of the stock split is to increase the liquidity of its shares and expand the investor base by reducing the price per unit of investment.

(2) Outline of the stock split

① Method of the stock split

Each share of common stock owned by shareholders listed or recorded in the closing register of shareholders on the record date of September 30, 2024, will be split into five shares.

② Number of shares to be increased by the stock split

Total number of issued shares before the stock split	54,300,076 shares
Number of shares to be increased by the stock split	217,200,304 shares
Total number of issued shares following the stock split	271,500,380 shares
Total number of authorized shares following the stock split	600,000,000 shares

Note: The total number of shares issued above is expected to change during the period up to the record date of the stock split due to the repurchase and cancellation of treasury shares.

③ Schedule of the stock split

Public notice of record date	September 13, 2024
Record date	September 30, 2024
Effective date	October 1, 2024

④ Effect on per share information

Per share information based on the assumption that the stock split was conducted at the beginning of the previous fiscal year is as follows.	Fiscal year ended March 31, 2023 (April 1, 2022 – March 31, 2023)	Fiscal year ended March 31, 2024 (April 1, 2023 – March 31, 2024)
Net assets per share	¥1,569.84	¥1,906.49

	Fiscal year ended March 31, 2023 (April 1, 2022 – March 31, 2023)	Fiscal year ended March 31, 2024 (April 1, 2023 – March 31, 2024)
Basic earnings per share	¥247.33	¥198.89
Diluted earnings per share	-	-

(3) Partially amend the JAPEX's Articles of Incorporation in connection with the stock split.

① Purpose of the amendment

In connection with the stock split, an associated article of the Article of Incorporation will be amended effective Tuesday, October 1, 2024, in accordance with Article 184, Paragraph 2 of the Companies Act.

② Details of the amendment

Details of the amendment are as follows:

(The underlined text is to be amended.)

Current Articles of Incorporation	Proposed Amendment
(Total Number of Issuable Shares) Article 6. The total number of the Company's issuable shares shall be <u>one hundred and twenty million (120,000,000)</u> shares.	(Total Number of Issuable Shares) Article 6. The total number of the Company's issuable shares shall be <u>six hundred million (600,000,000)</u> shares.

③ Schedule of the amendment
Effective date October 1, 2024

(4) Other information

① Change in the amount of stated capital

There will be no change in the amount of stated capital as a result of the stock split.

② Dividends

As the stock split takes effect on October 1, 2024, the Year-end dividend for the year ending March 31, 2024, with a record date of March 31, 2024, and the interim dividend for the year ending March 31, 2025, with a record date of September 30, 2024, will be paid based on the total number of issued shares before the stock split.

4. Others

Status of production and sales

1. Production

		Fiscal year ended March 31, 2023 (April 1, 2022 – March 31, 2023)	Fiscal year ended March 31, 2024 (April 1, 2023 – March 31, 2024)
E&P Business	Crude oil (kL)	751,616 (518,697)	1,143,923 (911,914)
	Natural gas (thousand m ³)	523,998 (14,136)	554,757 (70,533)
Infrastructure /Utility Business	LNG (t)	1,258	–
	Electricity (thousand kWh)	2,509,471	3,085,392

Notes: 1. The figures in parentheses represent overseas production and are included in the total.

2. Part of the natural gas production volume is used as a feedstock for LNG.

2. Sales

		Fiscal year ended March 31, 2023 (April 1, 2022 – March 31, 2023)		Fiscal year ended March 31, 2024 (April 1, 2023 – March 31, 2024)	
		Sales volume	Net sales (Millions of yen)	Sales volume	Net sales (Millions of yen)
E&P Business	Crude oil (kL)	695,633	55,703	1,240,742	87,808
	Natural gas (overseas) (thousand m ³)	11,494	360	65,950	1,002
	Subtotal		56,063		88,810
Infrastructure/ Utility Business	Natural gas (Japan) (thousand m ³)	989,051	97,360	955,826	81,487
	LNG (t)	340,503	51,572	275,149	30,190
	Electricity (thousand kWh)	3,005,864	58,735	3,548,750	53,272
	Others		5,988		7,197
	Subtotal		213,657		172,147
Other businesses	Contract services		7,750		6,395
	Oil products/merchandise		56,573		55,423
	Others		2,447		3,087
	Subtotal		66,771		64,905
	Total		336,492		325,863

Notes: 1. “Crude oil” 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 a pipeline network.

3. “Others” 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 “Others” includes other subcontracted tasks.