Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 <under Japanese GAAP>

May 13, 2026

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
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Scheduled date of ordinary general shareholders' meeting: June 23, 2026
Scheduled date to commence dividend payments: June 24, 2026
Scheduled date to file Securities Report: June 19, 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 fiscal year ended March 31, 2026 (April 1, 2025–March 31, 2026)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	340,336	(12.5)	38,915	(37.2)	61,556	(4.1)	53,427	(34.2)
March 31, 2025	389,082	19.4	62,012	12.2	64,221	(6.7)	81,153	51.2

Note: Comprehensive income: FY2026/3: 114,794 million yen (121.0%) FY2025/3: 51,939 million yen ((51.9)%)

	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
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2026	208.74	–	9.2	8.0	11.4
March 31, 2025	314.91	–	15.7	9.6	15.9

Reference: Equity in earnings (losses) of affiliates: FY2026/3: 4,114 million yen FY2025/3: (252) million yen

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 share split was conducted at the beginning of the previous fiscal year.

(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, 2026	862,470	658,897	72.8	2,451.33
As of March 31, 2025	681,598	557,257	77.4	2,062.21

Reference: Equity As of March 31, 2026: 627,537 million yen As of March 31, 2025: 527,744 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, 2026	102,976	(200,494)	6,007	49,954
March 31, 2025	130,766	(107,076)	(38,671)	140,931

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, 2025	–	125.00	–	30.00	–	14,114	17.5	2.8
Fiscal year ended March 31, 2026	–	20.00	–	45.00	65.00	16,689	31.1	2.9
Fiscal year ending March 31, 2027 (Forecast)	–	22.50	–	22.50	45.00		19.2	

Note: 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 would be 150.00 yen, and the total annual dividend would be 275.00 yen.

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	303,000	(11.0)	41,000	5.4	45,000	(26.9)	60,000	12.3	234.38

* Notes

(1) Significant changes in the scope of consolidation during the fiscal year under review: Yes
New inclusion: two companies (Peoria Resources, LLC, Verdad Resources Intermediate Holdings LLC)
Exclusion: two companies (JAPEX UK E&P LIMITED, Japex Energy Co., Ltd.)

(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 (Notes on changes in accounting estimates)" of "3. Consolidated financial statements and significant notes thereto" on page 18 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, 2026 257,000,380 shares
As of March 31, 2025 257,000,380 shares
b. Number of treasury shares at the end of the period
As of March 31, 2026 1,000,978 shares
As of March 31, 2025 1,087,980 shares
c. Average number of shares outstanding during the period
Fiscal year ended March 31, 2026 255,951,343 shares
Fiscal year ended March 31, 2025 257,705,383 shares

Note: JAPEX conducted a 5-for-1 stock split of shares of common stock on October 1, 2024. Average number of shares outstanding during the period was calculated assuming that the share split was conducted at the beginning of the previous fiscal year.

Reference: Summary of non-consolidated results

Non-consolidated financial results for the fiscal year ended March 31, 2026 (April 1, 2025–March 31, 2026)

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

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	190,487	(8.0)	16,660	(41.1)	35,505	(14.3)	37,923	(48.7)
March 31, 2025	206,952	8.9	28,263	(22.2)	41,413	(24.4)	73,856	57.6

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2026	148.17	–
March 31, 2025	286.59	–

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 share split was conducted at the beginning of the previous fiscal year.

(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, 2026	716,950	540,669	75.4	2,112.00
As of March 31, 2025	556,615	450,954	81.0	1,762.14

Reference: Equity As of March 31, 2026: 540,669 million yen As of March 31, 2025: 450,954 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 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 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, 2026, the Japanese economy was on a gradual recovery path, supported by improvements in employment and income conditions and the effects of various policy measures, despite concerns that continued price increases and the impact of U.S. trade policy might put downward pressure on the Japanese economy.

The Japan Crude Cocktail (JCC) price stood in the upper $70s range per barrel at the beginning of the fiscal year and trended downward in the first half of the fiscal year amid concerns that U.S. tariff policies could slow the global economy and the easing of production cuts by oil-producing countries. Subsequently, although the JCC price rose temporarily in the middle of the fiscal year, it fell again toward the second half of the year due to growing signs of easing in global oil supply-demand conditions, reaching the mid-$60 range in February. It then rebounded sharply as tensions in the Middle East intensified, causing disruptions to oil supplies, and reached the upper $60 range toward the end of the fiscal year.

In the currency exchange market, the yen started the fiscal year hovering around the upper ¥140/US$ level and temporarily strengthened during the first half of the fiscal year, but it depreciated toward the end of the fiscal year and was in the upper ¥150/US$ level at the end of the fiscal year.

In the domestic natural gas market, rising awareness of cost containment due to soaring prices led to a decline in gas demand. In addition to this, competition continued in the overall energy industry as it has in the past, making the market environment challenging for the JAPEX Group. Furthermore, in the domestic electricity market, spot market prices on the Japan Electric Power Exchange (JEPX) remained at the same level as the previous year, as fuel import prices remained relatively stable.

Under these circumstances, based on “JAPEX2050: Toward a Carbon-Neutral Society” (“JAPEX2050,” announced in May 2021), which outlines our policy on how to respond to the trend toward decarbonization, JAPEX has been working to strengthen profitability and to build a business foundation with a view to growth 2030 and beyond in accordance with “JAPEX Management Plan 2022–2030” formulated in March 2022.

Consequently, JAPEX has achieved its key targets for FY2026 ahead of schedule, in terms of profit levels and shareholder returns. However, from the perspective of building business assets that contribute to sustainable growth, the goal has not been fully achieved.

Furthermore, in the global energy landscape, while decarbonization targets remain in place, the importance of stable supply of energy is being reaffirmed, and a more realistic transition is being sought. Furthermore, capital markets are placing even stronger demands on “management that is mindful of the cost of capital.”

In light of our current situation and changes in the external environment, JAPEX has determined that a new management plan is essential to build a resilient portfolio and strengthen our execution capabilities. Accordingly, we announced the “JAPEX Management Plan 2026–2035 — Building Core Assets toward 2035” (“JAPEX Management Plan 2026–2035”) in April 2026.

We continue to aim to further enhance our corporate value by steadily implementing the Plan.

During the fiscal year, net sales was ¥340,336 million, a decrease of ¥48,745 million (−12.5%) year on year. Gross profit was ¥76,741 million, a decrease of ¥22,416 million (−22.6%) year on year. Main factors behind the year-on-year decrease for net sales and gross profit include a decrease in the selling prices of crude oil and natural gas, and a decrease in sales volume for LNG.

Exploration expenses was ¥1,965 million, a decrease of ¥1,206 million (−38.0%) year on year. Selling, general and administrative expenses was ¥35,860 million, an increase of ¥1,888 million (+5.6%) year on year. As a result, operating profit was ¥38,915 million, a decrease of ¥23,097 million (−37.2%) year on year.

Ordinary profit was ¥61,556 million, a decrease of ¥2,664 million (−4.1%) year on year, mainly due to the decrease in operating profit, despite improvements in non-operating items, including turnarounds from a share of loss of entities accounted for using equity method to a share of profit and from foreign exchange losses to foreign exchange gains.

Profit before income taxes decreased by ¥45,056 million (−41.5%) year on year to ¥63,557 million, mainly due to the absence of gain on sale of investment securities recorded in the previous fiscal year. Profit attributable to owners of parent decreased by ¥27,725 million (−34.2%) year on year to ¥53,427 million.

Below is a breakdown of net sales.

(i) E&P Business
Net sales from the E&P Business came to ¥109,257 million, a decrease of ¥19,755 million (−15.3%) year on year, mainly due to the decline in crude oil prices.

(ii) Infrastructure/Utility Business
Net sales from the Infrastructure/Utility Business came to ¥172,349 million, a decrease of ¥16,829 million (−8.9%) 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 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 ¥58,730 million, a decrease of ¥12,160 million (−17.2%) 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 ¥248,194 million, a decrease of ¥31,711 million (−11.3%) year on year, mainly due to the decrease of sales volume for LNG. Segment profit decreased by ¥14,115 million (−31.4%) year on year to ¥30,869 million, mainly due to a decrease in crude oil prices and deterioration in balance of sales revenue for crude oil and natural gas (including LNG) resulting from the yen's appreciation compared with the previous fiscal year.

(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 ¥52,377 million, a decrease of ¥3,328 million (−6.0%) year on year, mainly due to a decrease in the selling prices of crude oil. Segment profit, like net sales, decreased by ¥4,017 million (−19.0%) year on year to ¥17,082 million, mainly due to a decrease in the selling prices of 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 ¥8,072 million, a decrease of ¥11,109 million (−57.9%) year on year, mainly due to the decrease of sales volume for crude oil and natural gas resulting from the transfer of all shares in JAPEX UK E&P LIMITED held by JAPEX. Segment profit decreased by ¥3,966 million (−70.9%) year on year to ¥1,626 million.

(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 ¥31,692 million, a decrease of ¥2,619 million (−7.6%) year on year, mainly due to a decrease in the selling prices of crude oil. Segment profit decreased by ¥1,186 million (−28.6%) year on year to ¥2,968 million.

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

Total assets at the end of this fiscal year increased by ¥180,871 million from the previous fiscal year-end to ¥862,470 million.

Current assets decreased by ¥75,479 million from the previous fiscal year-end. This was mainly due to decreases in cash and deposits, and securities. Non-current assets increased by ¥256,350 million from the previous fiscal year-end. This was mainly due to an increase in property, plant, and equipment resulting from the inclusion of Verdad Resources Intermediate Holdings LLC in the scope of consolidation following the acquisition of all its equity interests, as well as an increase in investment securities due to a rise in market value.

Liabilities increased by ¥79,231 million from the previous fiscal year-end to ¥203,572 million.
Current liabilities increased by ¥40,139 million from the previous fiscal year-end. This was mainly due to an increase in accounts payable – other. Non-current liabilities increased by ¥39,092 million from the previous fiscal year-end. This was mainly due to increases in deferred tax liabilities and asset retirement obligations.

Net assets increased by ¥101,640 million from the previous fiscal year-end to ¥658,897 million.
This was mainly due to increases in retained earnings and valuation difference on available-for-sale securities.

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

As of March 31, 2026, cash and cash equivalents (hereinafter "net cash") decreased by ¥90,977 million compared to the end of the previous fiscal year to ¥49,954 million. Below is a summary of cash flows for each activity.

(Cash flows from operating activities)
Net cash provided by operating activities amounted to ¥102,976 million. This was mainly due to profit before income taxes of ¥63,557 million and depreciation of ¥47,050 million.

(Cash flows from investing activities)
Net cash used in investing activities amounted to ¥200,494 million. Net cash was mainly used in purchase of shares of subsidiaries resulting in change in scope of consolidation of ¥157,706 million and purchase of property, plant and equipment of ¥28,630 million.

(Cash flows from financing activities)
Net cash provided by financing activities was ¥6,007 million. Net cash was mainly provided by net increase in commercial papers of ¥19,979 million, while net cash was used in dividends paid of ¥12,839 million.

Reference: Trend of cash flow indicators

Fiscal years ended March 31	2022	2023	2024	2025	2026
Equity ratio (%)	78.7	74.9	76.2	77.4	72.8
Equity ratio on mark-to-market basis (%)	30.3	42.6	54.9	43.7	77.4
Interest-bearing debt to cash flow ratio (years)	–	0.0	0.0	–	0.2
Interest coverage ratio (times)	–	20,910.5	196.4	49.4	151.0

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.
6. The interest-bearing debt to cash flow ratio for the fiscal year ended March 2025 is not stated because there is no interest-bearing debt at the end of the fiscal year.

(4) Future outlook

The latest financial forecasts are based on a JCC price of $74.91 per barrel for the whole fiscal year, and an exchange rate of ¥152.90/$ for the whole fiscal year. Actual non-consolidated results for the fiscal year under review came to $71.89 per barrel and ¥149.85/$.

Net sales for the fiscal year ending March 31, 2027 is expected to decrease by ¥37,336 million (-11.0%) from the fiscal year under review to ¥303,000 million. This is mainly due to the expected decrease in sales volume for crude oil in the Middle East. Due to the escalating tensions in the Middle East, production operations and shipments at the Garraf oil field project in the southern part of the Republic of Iraq, in which JAPEX participates through its consolidated subsidiary, Japex Garraf Ltd., have been suspended following the Iraqi government's force majeure declaration. As there is no prospect of resumption, we do not expect any sales from this project.

Operating profit is expected to increase by ¥2,084 million (+5.4%) to ¥41,000 million from the fiscal year under review, mainly due to a significant increase in sales volumes for crude oil and natural gas in North America following the acquisition of all equity interests in Verdad Resources Intermediate Holdings LLC, and the expected increase in crude oil prices, despite factors that would reduce profit such as the aforementioned decline in sales volume for crude oil and an increase in costs for substitute procurement of LNG cargoes originally scheduled to be procured from the Middle East.

Ordinary profit is expected to decrease by ¥16,556 million (−26.9%) from the fiscal year under review to ¥45,000 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 increase by ¥6,572 million (+12.3%) from the fiscal year under review to ¥60,000 million. This mainly reflects the expected gain from the transfer of the gas manufacturing, sales, and gas pipeline business in Hokkaido Prefecture.

(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 ¥40 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.) The basic policy stated above remains unchanged in the "JAPEX Management Plan 2026–2035" disclosed in April 2026 as well.

JAPEX intend to pay a year-end dividend of ¥45 per share for the fiscal year under review (ended March 31, 2026), based on the above policy. Combined with the interim dividend, the annual dividend would be ¥65 per share.

For the next fiscal year (ending March 31, 2027), JAPEX plans to pay an annual dividend of ¥45 (including an interim dividend of ¥22.5) 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, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	118,358	*1 54,259
Notes and accounts receivable - trade	43,441	*1 39,324
Contract assets	1,115	956
Securities	24,000	3,000
Merchandise and finished goods	3,368	3,880
Work in process	62	27
Raw materials and supplies	14,332	14,073
Other	26,222	40,102
Allowance for doubtful accounts	(63)	(265)
Total current assets	230,838	155,359
Non-current assets		
Property, plant and equipment		
Buildings and structures	207,305	203,929
Accumulated depreciation	(158,665)	(163,342)
Buildings and structures, net	48,640	40,587
Wells	249,702	257,619
Accumulated depreciation	(127,492)	(152,594)
Wells, net	122,209	105,025
Machinery, equipment and vehicles	159,827	156,868
Accumulated depreciation	(138,075)	(142,405)
Machinery, equipment and vehicles, net	21,751	14,462
Mineral resources	6,074	*1 173,370
Accumulated depreciation	(1,436)	–
Mineral resources, net	4,637	173,370
Land	11,346	11,340
Construction in progress	16,568	*1 25,789
Other	21,943	22,488
Accumulated depreciation	(19,508)	(19,673)
Other, net	2,435	2,815
Total property, plant and equipment	227,590	373,390
Intangible assets	5,095	5,537
Investments and other assets		
Investment securities	*1 180,280	*1 274,024
Long-term loans receivable	1,136	8,174
Deferred tax assets	943	838
Retirement benefit asset	4,086	5,199
Other	31,664	39,985
Allowance for doubtful accounts	(38)	(38)
Total investments and other assets	218,074	328,183
Total non-current assets	450,760	707,111
Total assets	681,598	862,470

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	11,150	3,398
Accounts payable - other	18,705	51,525
Income taxes payable	11,943	3,103
Contract liabilities	94	110
Provisions	154	484
Other	7,102	30,670
Total current liabilities	49,152	89,291
Non-current liabilities		
Deferred tax liabilities	33,134	60,292
Retirement benefit liability	3,288	3,315
Asset retirement obligations	34,311	40,139
Provisions	328	345
Other	4,126	10,187
Total non-current liabilities	75,188	114,280
Total liabilities	124,340	203,572
Net assets		
Shareholders' equity		
Share capital	14,288	14,288
Retained earnings	445,499	486,089
Treasury shares	(997)	(925)
Total shareholders' equity	458,791	499,452
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	36,630	94,349
Deferred gains or losses on hedges	11,513	19,666
Foreign currency translation adjustment	18,795	11,418
Remeasurements of defined benefit plans	2,014	2,650
Total accumulated other comprehensive income	68,953	128,084
Non-controlling interests	29,512	31,359
Total net assets	557,257	658,897
Total liabilities and net assets	681,598	862,470

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

Consolidated statement of income

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net sales	389,082	340,336
Cost of sales	289,924	263,595
Gross profit	99,157	76,741
Exploration expenses	3,172	1,965
Selling, general and administrative expenses	*1 ,*2 33,972	*1 ,*2 35,860
Operating profit	62,012	38,915
Non-operating income		
Interest income	2,492	2,283
Dividend income	4,610	2,866
Share of profit of entities accounted for using equity method	–	4,114
Foreign exchange gains	–	8,201
Gain on valuation of derivatives	–	4,823
Gain on derivatives	–	4,413
Other	840	1,184
Total non-operating income	7,944	27,887
Non-operating expenses		
Interest expenses	2,646	560
Share of loss of entities accounted for using equity method	252	–
Foreign exchange losses	1,812	–
Loss on derivatives	–	1,556
Commitment fees	304	920
Loss on investments in silent partnerships	–	692
Other	719	1,516
Total non-operating expenses	5,735	5,246
Ordinary profit	64,221	61,556
Extraordinary income		
Gain on sale of investment securities	45,698	–
Gain on sale of shares of subsidiaries	–	862
Gain on sale of shares of associates	–	664
Subsidy income	–	382
Gain on transfer of interests	–	2,992
Other	141	165
Total extraordinary income	45,840	5,067
Extraordinary losses		
Loss on retirement of non-current assets	321	29
Impairment losses	950	*3 2,185
Loss on step acquisitions	175	–
Loss on sale of shares of subsidiaries	–	467
Loss on tax purpose reduction entry of non-current assets	–	382
Other	–	0
Total extraordinary losses	1,447	3,065
Profit before income taxes	108,614	63,557
Income taxes - current	15,619	5,431
Income taxes - deferred	10,147	2,462
Total income taxes	25,766	7,894
Profit	82,848	55,663
Profit attributable to non-controlling interests	1,694	2,235
Profit attributable to owners of parent	81,153	53,427

Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Profit	82,848	55,663
Other comprehensive income		
Valuation difference on available-for-sale securities	(48,056)	57,712
Deferred gains or losses on hedges	1,887	6,163
Foreign currency translation adjustment	14,213	(10,357)
Remeasurements of defined benefit plans, net of tax	424	636
Share of other comprehensive income of entities accounted for using equity method	621	4,975
Total other comprehensive income	(30,908)	59,130
Comprehensive income	51,939	114,794
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	50,244	112,559
Comprehensive income attributable to non-controlling interests	1,695	2,235

(3) Consolidated statement of changes in equity

Fiscal year ended March 31, 2025 (April 1, 2024–March 31, 2025)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	14,288	–	397,846	(8,094)	404,040
Changes during period					
Dividends of surplus			(15,673)		(15,673)
Profit attributable to owners of parent			81,153		81,153
Purchase of treasury shares				(11,029)	(11,029)
Disposal of treasury shares		(37)		338	301
Cancellation of treasury shares		(17,788)		17,788	–
Transfer from retained earnings to capital surplus		17,825	(17,825)		–
Net changes in items other than shareholders' equity					
Total changes during period	–	–	47,653	7,096	54,750
Balance at end of period	14,288	–	445,499	(997)	458,791

	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	Remeasure-ments of defined benefit plans	Total accumulated other comprehen-sive income		
Balance at beginning of period	84,686	8,704	4,881	1,589	99,862	33,671	537,574
Changes during period							
Dividends of surplus							(15,673)
Profit attributable to owners of parent							81,153
Purchase of treasury shares							(11,029)
Disposal of treasury shares							301
Cancellation of treasury shares							–
Transfer from retained earnings to capital surplus							–
Net changes in items other than shareholders' equity	(48,056)	2,808	13,913	424	(30,909)	(4,158)	(35,067)
Total changes during period	(48,056)	2,808	13,913	424	(30,909)	(4,158)	19,682
Balance at end of period	36,630	11,513	18,795	2,014	68,953	29,512	557,257

Fiscal year ended March 31, 2026 (April 1, 2025–March 31, 2026)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	14,288	–	445,499	(997)	458,791
Changes during period					
Dividends of surplus			(12,837)		(12,837)
Profit attributable to owners of parent			53,427		53,427
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				72	72
Cancellation of treasury shares					–
Transfer from retained earnings to capital surplus					–
Net changes in items other than shareholders' equity					
Total changes during period	–	–	40,589	71	40,661
Balance at end of period	14,288	–	486,089	(925)	499,452

	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	Remeasure-ments of defined benefit plans	Total accumulated other comprehen-sive income		
Balance at beginning of period	36,630	11,513	18,795	2,014	68,953	29,512	557,257
Changes during period							
Dividends of surplus							(12,837)
Profit attributable to owners of parent							53,427
Purchase of treasury shares							(0)
Disposal of treasury shares							72
Cancellation of treasury shares							—
Transfer from retained earnings to capital surplus							—
Net changes in items other than shareholders' equity	57,719	8,152	(7,377)	636	59,131	1,846	60,978
Total changes during period	57,719	8,152	(7,377)	636	59,131	1,846	101,640
Balance at end of period	94,349	19,666	11,418	2,650	128,084	31,359	658,897

(4) Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from operating activities		
Profit before income taxes	108,614	63,557
Depreciation	49,906	47,050
Impairment losses	950	2,185
Loss on retirement of property, plant and equipment	321	29
Decrease (increase) in retirement benefit asset	(723)	(1,112)
Increase (decrease) in allowance for overseas investment loss	(163)	–
Interest and dividend income	(7,103)	(5,149)
Interest expenses	2,646	560
Foreign exchange losses (gains)	1,383	(6,072)
Loss (gain) on sale of short-term and long-term investment securities	(45,698)	(1,072)
Loss (gain) on valuation of derivatives	–	(4,823)
Share of loss (profit) of entities accounted for using equity method	252	(4,114)
Gain on transfer of interests	–	(2,992)
Recovery of recoverable accounts	25,767	25,658
Decrease (increase) in trade receivables	(2,001)	6,170
Decrease (increase) in inventories	4,922	(988)
Increase (decrease) in trade payables	122	8,255
Decrease (increase) in accounts receivable - other	(7,755)	3,636
Increase (decrease) in accrued consumption taxes	1,423	(1,149)
Decrease (increase) in guarantee deposits	–	(9,204)
Other, net	3,265	(650)
Subtotal	136,131	119,773
Subsidies received	–	382
Income taxes refund (paid)	(5,364)	(17,180)
Net cash provided by (used in) operating activities	130,766	102,976

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from investing activities		
Payments into time deposits	(18,185)	(7,222)
Proceeds from withdrawal of time deposits	28,073	10,887
Purchase of property, plant and equipment	(90,531)	(28,630)
Proceeds from sale of property, plant and equipment	63	206
Purchase of intangible assets	(316)	(613)
Payments for asset retirement obligations	(28)	(399)
Purchase of investment securities	(69,859)	(8,464)
Proceeds from sale and redemption of investment securities	51,511	286
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(69)	(157,706)
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	3,036	16,917
Payments of recoverable accounts	(24,004)	(28,465)
Loan advances	(313)	(6,860)
Interest and dividends received	13,415	9,549
Other, net	130	19
Net cash provided by (used in) investing activities	(107,076)	(200,494)
Cash flows from financing activities		
Proceeds from short-term borrowings	25,000	30,150
Repayments of short-term borrowings	(27,927)	(30,000)
Repayments of long-term borrowings	(250)	–
Purchase of treasury shares	(11,029)	(0)
Dividends paid	(15,671)	(12,839)
Dividends paid to non-controlling interests	(5,854)	(328)
Interest paid	(2,647)	(681)
Repayments of lease liabilities	(291)	(310)
Net increase (decrease) in commercial papers	–	19,979
Other, net	–	37
Net cash provided by (used in) financing activities	(38,671)	6,007
Effect of exchange rate change on cash and cash equivalents	3,313	534
Net increase (decrease) in cash and cash equivalents	(11,667)	(90,977)
Cash and cash equivalents at beginning of period	152,598	140,931
Cash and cash equivalents at end of period	140,931	49,954

(5) Notes to consolidated financial statements

(Notes on premise of going concern)

No item to report.

(Notes on changes in accounting estimates)

Changes in asset retirement obligations estimates

Regarding the asset retirement obligations recorded as expenses pertaining to the abandonment of wells and withdrawal of facilities in domestic oil and gas fields, etc. (hereinafter "expenses pertaining to the withdrawal, etc."), during the fiscal year under review, 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 concerning the rising prices of materials and equipment and labor costs, as well as revising the withdrawal timing. The amount increase of ¥6,172 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 ¥5,823 million, and ordinary profit and profit before income taxes both decreased by ¥6,138 million.

(Notes on additional information)

Transfer of gas manufacturing, sales, and gas pipeline business in Hokkaido Prefecture

On December 3, 2025, JAPEX's Board of Directors has resolved to transfer its gas manufacturing, sales, and gas pipeline business in Hokkaido Prefecture (collectively hereinafter the "Business") to Hokkaido Electric Power Co., Inc. (HEPCO), and signed a business transfer agreement on the same day.

1. Reason for the Business transfer
   JAPEX has consistently provided a stable supply of natural gas from the Yufutsu Oil and Gas Field and LNG received at the LNG terminal to customers in Hokkaido Prefecture via gas pipelines and tank trucks. As part of our efforts to strengthen profitability and build a medium- to long-term business foundation, JAPEX reviewed its business portfolio, and has decided to transfer the Business. JAPEX continues production operation at the Yufutsu Oil and Gas Field, the base for our E&P operation in Hokkaido Prefecture, and will supply natural gas to the transferee, HEPCO.

2. Outline of the business transfer
   (1) Outline of the business
   The gas manufacturing and sales business involve the sale of natural gas via gas pipelines and the sale of LNG received at the LNG receiving terminal via tank trucks. The gas pipeline business provides commissioned transportation services of natural gas using the gas pipelines owned within Hokkaido Prefecture.

   (2) Transfer price
   31 billion yen

   (3) Transfer schedule
   The transfer is scheduled to take place in the fiscal year ending March 2027.

Acquisition of the equity interest in Verdad Resources Intermediate Holdings LLC

1. Outline of the acquisition
   (1) Name of the acquired company and details of its business
   Name of the acquired company: Verdad Resources Intermediate Holdings LLC (VRIH)
   Details of business: Exploration, development, and production of oil and natural gas in the U.S.
   (2) Main reasons for the acquisition
   To further expand E&P business in the U.S. and pursue sustainable profitability through the acquisition of the entire equity interest of VRIH, which holds tight oil and gas assets in Colorado and Wyoming, U.S.
   (3) Date of the acquisition
   February 26, 2026
   (4) Ratio of voting rights held after the acquisition
   100%

2. Period of the acquired company's financial results included in the consolidated financial statements

In the fiscal year under review, only the balance sheet of the acquired company has been consolidated, as the acquisition date (February 26, 2026) is less than three months before the end of the fiscal year. The consolidated statement of income does not include the financial results of the acquired company.

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

Consideration for acquisition (cash)	US$1,040 million
Acquisition cost	US$1,040 million

JAPEX entered into a share purchase agreement for the acquisition of 100% of VRIH's equity interests on December 19, 2025, at a price of US$ 1,260 million. The transaction was completed on February 26, 2026, at an adjusted purchase price of US$ 1,040 million.

4. Amount of assets accepted and liabilities assumed as of the acquisition date, and their main breakdown

Current assets:	US$126 million
Non-current assets:	US$1,199 million
Total assets:	US$1,326 million
Current liabilities:	US$205 million
Non-current liabilities:	US$79 million
Total liabilities:	US$285 million

Note: All equity interests in VRIH were acquired by Peoria Resources Acquisition Company, LLC, a consolidated subsidiary of JAPEX, and the accounting treatment for this acquisition is accounted for as an asset acquisition in accordance with the provisions of "Business Combinations" (ASC 805) under U.S. GAAP.

Impacts of tensions in the Middle East

Escalating tensions in the Middle East may affect the Company's financial position, operating results, and cash flows, with rising crude oil prices and a weaker yen potentially contributing to higher sales and profits, while cost increases due to unplanned spot LNG procurement and the suspension of production operations at the Garraf oil field in Iraq may negatively affect profits.

In addition, the supply of chemicals and other materials used in the production operations of domestic oil and gas fields is becoming tight. If this situation persists, it could further increase operating costs.

(Notes to consolidated balance sheet)

*1. Pledged Assets and Secured Liabilities

(1) Assets pledged as collateral and secured liabilities of the consolidated companies

Assets pledged as collateral are as follows:

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(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Cash and deposits	–	5,269
Notes and accounts receivable - trade	–	10,636
Mineral resources	―	173,370
Construction in progress	–	13,540
Other	–	4,662
Total	–	207,480

The secured liabilities consist of long-term borrowings from financial institutions by Peoria Resources Acquisition Company, LLC (hereinafter “Peoria”), a consolidated subsidiary of JAPEX, to fund the acquisition of equity interests in Verdad Resources Intermediate Holdings LLC. As these borrowings were executed after the closing date of Peoria, the borrower, such liabilities are not recognized in the consolidated balance sheet for the fiscal year under review.

(2) Assets pledged as collateral for borrowings of subsidiaries and associates

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Investment securities	4,599	5,185

In addition to the assets pledged as collateral above, investment securities valued at ¥210 million and ¥955 million, which have been reduced due to application of the equity method on the consolidated balance sheet, were pledged as collateral as of March 31, 2026, and 2025, respectively.

2. 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, 2025		As of March 31, 2026	
Ozu Biomass Power Co., Ltd.	6,853	Ozu Biomass Power Co., Ltd.	5,368
Abashiri Biomass Power 2 LLC.	1,708	Sakhalin Oil and Gas Development Co., Ltd.	3,668
Abashiri Biomass Power 3 LLC.	1,626	Abashiri Biomass Power 2 LLC.	1,576
Kumamoto Mirai LNG Co., Ltd.	12	Abashiri Biomass Power 3 LLC.	1,491
Employees (borrowings for housing funds)	8	Kumamoto Mirai LNG Co., Ltd.	5
Total	10,208	Total	12,111

(Notes to 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, 2025	Fiscal year ended March 31, 2026
Personnel expenses	12,793	14,490
(of the above, retirement benefit expenses)	430	485
Subcontracting construction expenses	3,809	3,053

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

(Millions of yen)

Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
388	349

*3. Impairment losses

For the fiscal year under review, the JAPEX Group recognized impairment losses on the following asset groups.

Applications	Location	Impairment losses	
		Type	Amount (Millions of yen)
A portion of business assets in the territorial waters of Norway	Blocks in the territorial water of Norway	Buildings and structures	904
		Wells	1,281
	Total		2,185

For the business assets, the JAPEX Group generally treats production fields and similar facilities as the smallest units capable of generating independent cash flows, with idle assets grouped on an individual property basis. For a portion of the business assets related to Norwegian territorial waters, following a review of reserves, as well as development and operating costs, we calculated future cash flows and, as a result, reduced the carrying amount of the assets to their recoverable amount. The resulting decrease was recorded as an impairment loss under extraordinary losses.

The recoverable amount is measured based on value in use, with future cash flows discounted at a rate of 6%.

(Consolidated statement of changes in equity)

Fiscal year ended March 31, 2025 (April 1, 2024–March 31, 2025)

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	205,600,304	2,900,000	257,000,380
Total	54,300,076	205,600,304	2,900,000	257,000,380
Treasury shares				
Common shares	1,438,286	2,823,744	3,174,050	1,087,980
Total	1,438,286	2,823,744	3,174,050	1,087,980

Notes: 1. JAPEX conducted a 5-for-1 stock split of shares of common stock on October 1, 2024.
2. The increase of 205,600,304 shares in total issued shares of common stock comprises an increase due to the stock split.
3. The decrease of 2,900,000 shares in total issued shares of common stock comprises a decrease due to the cancellation of treasury shares (before the stock split) by the resolution of the Board of Directors.
4. The increase of 2,823,744 shares in treasury shares of common stock comprises an increase of 1,627,000 shares (before the stock split) due to the acquisition of treasury shares by resolution of the Board of Directors, an increase of 647,944 shares due to the stock split, and an increase of 548,800 shares (after the stock split) due to the purchase of JAPEX's shares through the Board Benefit Trust (BBT).
5. The decrease of 3,174,050 shares in treasury shares of common stock comprises a decrease of 2,900,000 shares (before the stock split) due to the cancellation of treasury shares by resolution of the Board of Directors, a decrease of 3,300 shares (before the stock split) due to the provision of shares through the Board Benefit Trust (BBT), and a decrease of 270,750 shares (after the stock split) due to the disposal of treasury shares to the Employee Stock Ownership Association.
6. The number of treasury shares of common stock includes shares held by the Board Benefit Trust (BBT) (62,600 shares at the beginning of the fiscal year ended March 31, 2025, and 845,300 shares at the end of the fiscal year ended March 31, 2025).

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 26, 2024	Common shares	9,261	175	March 31, 2024	June 27, 2024
Meeting of the Board of Directors held on November 13, 2024	Common shares	6,412	125	September 30, 2024	December 12, 2024

Notes: 1. JAPEX conducted a 5-for-1 stock split of shares of common stock on October 1, 2024. The amounts shown for the dividends per share are the amounts before the stock split.
2. The total amount of the dividend at the Ordinary General Meeting of Shareholders held on June 26, 2024, includes a dividend of ¥10 million for shares held by the Board Benefit Trust (BBT).
3. The total amount of the dividend at the meeting of the Board of Directors held on November 13, 2024, 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 25, 2025	Common shares	7,702	Retained earnings	30	March 31, 2025	June 26, 2025

Note: The total amount of the dividend resolved at the Ordinary General Meeting of Shareholders on June 25, 2025 includes a dividend of ¥25 million for shares held by the Board Benefit Trust (BBT).

Fiscal year ended March 31, 2026 (April 1, 2025–March 31, 2026)

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	257,000,380	—	—	257,000,380
Total	257,000,380	—	—	257,000,380
Treasury shares				
Common shares	1,087,980	98	87,100	1,000,978
Total	1,087,980	98	87,100	1,000,978

Notes: 1. The increase of 98 shares in treasury shares of common stock comprises an increase due to the purchase of shares less than one unit.
2. The decrease of 87,100 shares in treasury shares of common stock comprises a decrease due to the provision of shares through the Board Benefit Trust (BBT).
3. The number of treasury shares of common stock includes shares held by the Board Benefit Trust (BBT) (845,300 shares at the beginning of the fiscal year ended March 31, 2026 and 758,200 shares at the end of the fiscal year ended March 31, 2026).

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 25, 2025	Common shares	7,702	30	March 31, 2025	June 26, 2025
Meeting of the Board of Directors held on November 12, 2025	Common shares	5,135	20	September 30, 2025	December 12, 2025

Notes: 1. The total amount of the dividend at the Ordinary General Meeting of Shareholders held on June 25, 2025 includes a dividend of ¥25 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 12, 2025 includes a dividend of ¥15 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 23, 2026	Common shares	11,554	Retained earnings	45	March 31, 2026	June 24, 2026

Notes: 1. The dividend payment shown above will be a matter to be resolved at the Ordinary General Meeting of Shareholders to be held on June 23, 2026.
2. The total amount of the dividend to be resolved at the Ordinary General Meeting of Shareholders on June 23, 2026 includes a dividend of ¥34 million for shares held by the Board Benefit Trust (BBT).

(Notes to 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, generation and sales of electric power, sales of biomass fuel, and contract services for transportation of natural gas, 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 exploration, 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." in the most recent Annual Securities Report (filed on June 23, 2025). 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, 2025 (April 1, 2024–March 31, 2025)

(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	279,883	55,705	19,181	34,311	389,082	–	389,082	–	389,082
Intersegment sales or transfers	21	–	–	–	21	–	21	(21)	–
Total	279,905	55,705	19,181	34,311	389,104	–	389,104	(21)	389,082
Segment profit	44,985	21,100	5,593	4,154	75,834	–	75,834	(13,821)	62,012
Segment assets	67,199	129,762	32,154	20,552	249,669	–	249,669	431,928	681,598
Other items									
Depreciation	16,538	25,562	7,152	293	49,546	–	49,546	359	49,906
Share of profit (loss) of entities accounted for using equity method	162	899	(1,920)	–	(858)	605	(252)	–	(252)
Investments in entities accounted for using equity method	7,769	65,404	–	–	73,174	7,532	80,707	–	80,707
Increase in property, plant and equipment and intangible assets (Note 4)	8,024	65,605	4,420	–	78,050	–	78,050	116	78,167

Fiscal year ended March 31, 2026 (April 1, 2025–March 31, 2026)

(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	248,194	52,377	8,072	31,692	340,336	–	340,336	–	340,336
Intersegment sales or transfers	–	–	–	–	–	–	–	–	–
Total	248,194	52,377	8,072	31,692	340,336	–	340,336	–	340,336
Segment profit	30,869	17,082	1,626	2,968	52,547	–	52,547	(13,632)	38,915
Segment assets	61,617	301,277	12,738	23,065	398,698	–	398,698	463,771	862,470
Other items									
Depreciation	16,705	25,415	4,253	293	46,667	–	46,667	382	47,050
Share of profit of entities accounted for using equity method	193	2,931	–	–	3,124	990	4,114	–	4,114
Investments in entities accounted for using equity method	7,769	71,036	–	–	78,806	8,193	87,000	–	87,000
Increase in property, plant and equipment and intangible assets (Note 4)	5,839	10,970	13,476	0	30,286	–	30,286	318	30,605

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)

	As of March 31, 2025	As of March 31, 2026
Elimination of intersegment transactions	2	499
Corporate expenses *	(13,824)	(14,131)
Total	(13,821)	(13,632)

* 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, 2025	As of March 31, 2026
Elimination of intersegment transactions	(6)	(5)
Corporate assets *1	2,166	2,185
Other assets *2	429,768	461,591
Total	431,928	463,771

*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 property, plant and equipment, intangible assets, and recoverable accounts included in 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.

4. Increases in property, plant and equipment and intangible assets do not include an increase associated with newly consolidated subsidiaries.

[Related information]
Fiscal year ended March 31, 2025 (April 1, 2024–March 31, 2025)

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	Biomass fuel	Others
Net sales to outside clients	124,415	4,597	77,538	43,990	51,395	10,170	6,084

	Other businesses			Total
	Contract services	Oil products/ merchandise	Others	
Net sales to outside clients	8,572	59,598	2,720	389,082

2. Information by geographical area

(1) Net sales

(Millions of yen)

Japan	US	Iraq	Others	Total
279,839	55,705	34,338	19,198	389,082

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
68,405	127,029	29,131	3,022	227,590

Fiscal year ended March 31, 2026 (April 1, 2025–March 31, 2026)

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	Biomass fuel	Others
Net sales to outside clients	104,967	4,289	73,345	23,112	48,460	21,625	5,804

	Other businesses			Total
	Contract services	Oil products/ merchandise	Others	
Net sales to outside clients	10,807	45,441	2,481	340,336

2. Information by geographical area

(1) Net sales

(Millions of yen)

Japan	US	Iraq	Others	Total
248,138	52,377	31,747	8,072	340,336

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
62,605	298,753	–	12,032	373,390

[Information on impairment losses on non-current assets by reportable segment]
Fiscal year ended March 31, 2025 (April 1, 2024–March 31, 2025)

(Millions of yen)

Japan	North America	Europe	Middle East	Others	Corporate and elimination	Total
242	–	708	–	–	–	950

Fiscal year ended March 31, 2026 (April 1, 2025–March 31, 2026)

(Millions of yen)

Japan	North America	Europe	Middle East	Others	Corporate and elimination	Total
–	–	2,185	–	–	–	2,185

[Information on amortization and unamortized balance of goodwill by reportable segment]
Fiscal year ended March 31, 2025 (April 1, 2024–March 31, 2025)
No item to report.

Fiscal year ended March 31, 2026 (April 1, 2025–March 31, 2026)

(Millions of yen)

	Japan	North America	Europe	Middle East	Others	Corporate and elimination	Total
Amortization	–	–	5	–	–	–	5
Balance at end of period	–	–	706	–	–	–	706

[Information on gain on bargain purchase by reportable segment]
Fiscal year ended March 31, 2025 (April 1, 2024–March 31, 2025)

(Millions of yen)

Japan	North America	Europe	Middle East	Others	Corporate and elimination	Total
–	–	80	–	–	–	80

Since the market value of net assets exceeded the acquisition cost at the time of the business combination, the difference is recognized as gain on bargain purchase.

Fiscal year ended March 31, 2026 (April 1, 2025–March 31, 2026)
No item to report.

(Notes on per share information)

	Fiscal year ended March 31, 2025 (April 1, 2024–March 31, 2025)	Fiscal year ended March 31, 2026 (April 1, 2025–March 31, 2026)
Net assets per share	¥2,062.21	¥2,451.33
Basic earnings per share	¥314.91	¥208.74

Notes: 1. Diluted earnings per share is not presented, since there is no dilutive share.
2. 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 share split was conducted at the beginning of the previous fiscal year.
3. 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 (845,300 shares in the fiscal year ended March 31, 2025 and 758,200 shares in the fiscal year ended March 31, 2026). 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 (482,251 shares in the fiscal year ended March 31, 2025, and 806,335 shares in the fiscal year ended March 31, 2026).
4. The basis for calculation of basic earnings per share is as follows:

	Fiscal year ended March 31, 2025 (April 1, 2024–March 31, 2025)	Fiscal year ended March 31, 2026 (April 1, 2025–March 31, 2026)
Profit attributable to owners of parent (Millions of yen)	81,153	53,427
Amounts not attributable to common shareholders (Millions of yen)	–	–

Profit attributable to owners of parent related to common shares (Millions of yen)	81,153	53,427
Average number of shares during the period (Thousands of shares)	257,705	255,951

(Business combinations)

Business separation

Transfer of shares in JAPEX UK E&P LIMITED

1. Overview of business separation
   (1) Name of recipient company
   Ithaca Energy (UK) Limited
   (2) Content of separated business
   Exploration, development, and production of petroleum resources in the UK North Sea, advanced by JAPEX UK E&P LIMITED (hereinafter "JUK"), in which JAPEX holds 100% of the shares
   (3) Main reason for the business separation
   The Seagull field (located in the central UK North Sea, around 230km east offshore Aberdeen, Northeast Scotland), in which JAPEX holds a 15% interest through JUK, produced crude oil and natural gas at a rate of approximately 30,000 barrels of oil equivalent per day since November 2023. JAPEX has been working diligently to improve the profitability of the Seagull field of which investment amount has increased due to the revision of the development plan, etc., caused by the impact of COVID-19 compared to the final investment decision in 2019.
   However, the recent introduction of the Energy Profits Levy (EPL) and the increase in tax rates by the UK government in respect of oil and gas projects in the UK have led to a further increase in the sense of uncertainty about the business environment in the UK. As a result, JAPEX evaluated that it will be difficult to maintain and expand the profitability of the Seagull field, and JAPEX transferred all of its JUK shares to Ithaca Energy (UK) Limited.
   (4) Business separation date
   July 7, 2025
   (5) Other details regarding the transaction, including legal form
   Share transfer with consideration received solely in the form of cash and other assets

2. Summary of accounting treatment implemented
   (1) Amount of transfer gain/loss
   Gain on sale of shares of subsidiaries: ¥862 million
   (2) Appropriate book value of assets and liabilities related to the transferred business and main breakdown

Current assets:	¥4,747 million
Non-current assets:	¥25,258 million
Total assets:	¥30,005 million
Current liabilities:	¥1,701 million
Non-current liabilities:	¥4,641 million
Total liabilities:	¥6,342 million

   (3) Accounting treatment
   The difference between the sale price of the transferred shares and their consolidated book value is recorded as "Gain on sale of shares of subsidiaries" under extraordinary income.

3. Reportable segments that included the separated business
   Europe segment

4. Approximate amount of profit or loss related to the separated business recorded in the consolidated statement of income for the fiscal year under review

Net sales:	¥6,057 million
Operating profit:	¥2,426 million

Transfer of shares in Japex Energy Co., Ltd.

1. Overview of business separation
   (1) Name of recipient company
   Astomos Energy Corporation
   (2) Content of separated business
   Purchase and sales of LNG, oil products, etc. conducted by Japex Energy Co., Ltd. (hereinafter "JPE"), in which JAPEX holds 90% of the shares
   (3) Main reason for the business separation
   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 FY2022 to FY2030 formulated in March

2022, JAPEX has transferred all shares JAPEX holds in JPE to Astomos Energy Corporation as part of a review of its business portfolio.

(4) Business separation date
December 25, 2025

(5) Other details regarding the transaction, including legal form
Share transfer with consideration received solely in the form of cash and other assets

2. Summary of accounting treatment implemented

(1) Amount of transfer gain/loss
Loss on sale of shares of subsidiaries: ¥467 million

(2) Appropriate book value of assets and liabilities related to the transferred business and main breakdown

Current assets:	¥7,151 million
Non-current assets:	¥147 million
Total assets:	¥7,299 million
Current liabilities:	¥6,285 million
Non-current liabilities:	¥360 million
Total liabilities:	¥6,645 million

(3) Accounting treatment
The difference between the sale price of the transferred shares and their consolidated book value is recorded as “Loss on sale of shares of subsidiaries” under extraordinary losses.

3. Reportable segments that included the separated business
Japan segment

4. Approximate amount of profit or loss related to the separated business recorded in the consolidated statement of income for the fiscal year under review

Net sales:	¥39,521 million
Operating profit:	¥260 million

(Notes to significant subsequent events)

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 equity interests in Verdad Resources Intermediate Holdings LLC.

Summary of the borrowing	Syndicated loan for which Wells Fargo Bank, National Association acts as the agent
Amount of borrowing	US$ 361 million
Borrowing rate	Base rate + spread
Date of borrowing	February 26, 2026
Maturity date	February 26, 2030

4. Others

Status of production and sales

1. Production

		Fiscal year ended March 31, 2025 (April 1, 2024–March 31, 2025)	Fiscal year ended March 31, 2026 (April 1, 2025–March 31, 2026)
E&P Business	Crude oil (Japan) (thousand bbl)	1,476	1,428
	Crude oil (Overseas) (thousand bbl)	8,872	9,313
	Natural gas (Japan) (million cf)	16,886	14,969
	Natural gas (Overseas) (million cf)	5,349	5,195
Infrastructure/Utility Business	Electricity (million kWh)	3,076	2,852

Note: From the fiscal year under review, we have changed the unit of measurement for crude oil from kL to thousand bbl; for natural gas from thousand m3 to million cf; and for electricity from thousand kWh to million kWh.

2. Sales

		Fiscal year ended March 31, 2025 (April 1, 2024–March 31, 2025)		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)
E&P Business	Crude oil (Japan) (thousand bbl)	1,573	19,813	1,542	17,114
	Crude oil (Overseas) (thousand bbl)	9,414	104,601	9,109	87,852
	Natural gas (Overseas) (million cf)	5,385	4,597	5,233	4,289
	Subtotal		129,012		109,257
Infrastructure/Utility Business	Natural gas (Japan) (million cf)	33,064	77,538	32,770	73,345
	LNG (t)	422,278	43,990	231,386	23,112
	Electricity (million kWh)	3,313	51,395	3,361	48,460
	Biomass fuel (t)	342,104	10,170	732,870	21,625
	Others		6,084		5,804
	Subtotal		189,178		172,349
Other Businesses	Contract services		8,572		10,807
	Oil products/ merchandise		59,598		45,441
	Others		2,720		2,481
	Subtotal		70,891		58,730
Total			389,082		340,336

Notes: 1. “Crude oil (Japan)” and “Crude oil (Overseas)” 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.
5. From the fiscal year under review, we have changed the unit of measurement for crude oil from kL to thousand bbl; for natural gas from thousand m3 to million cf; and for electricity from thousand kWh to million kWh.