



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

December 3, 2025

Company Name: Japan Petroleum Exploration Co., Ltd. (JAPEX)
Securities Code: 1662 (Prime of the Tokyo Stock Exchange)
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**Notice Regarding Transfer of Gas Manufacturing, Sales,
and Gas Pipeline Business in Hokkaido Prefecture**

Japan Petroleum Exploration Co., Ltd. (JAPEX) announces that its 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) (hereinafter the “Business Transfer”), today.

Exploration, development, and production (E&P) business for crude oil and natural gas in Hokkaido Prefecture is excluded from the Business Transfer. It will continue to be operated by JAPEX.

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.

Under the “JAPEX Management Plan 2022-2030,” formulated in March 2022, as part of our efforts to strengthen profitability and build a medium- to long-term business foundation, JAPEX reviewed its business portfolio. As a result, JAPEX 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

i. 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.

ii. Financial position of the Business (for the year ended March 2025)

| | The Business (a) | Consolidated Results (b) | Ratio (a/b) |
|-----------|-------------------|--------------------------|-------------|
| Net sales | 9,860 million yen | 389,082 million yen | 2.5% |

iii. Transferred Assets and Liabilities and Amounts (As of March 31, 2025)

| Assets | | Liabilities | |
|--------------------|-----------------|-------------------------|-------------------|
| Item | Book Value | Item | Book Value |
| Current assets | 433 million yen | Current liabilities | 164 million yen |
| Non-current assets | 0 million yen* | Non-current liabilities | 880 million yen |
| Total | 433 million yen | Total | 1,045 million yen |

*Recognized as memorandum value

iv. Transfer Price

31 billion yen

3. Outline of the counterparty to the Business Transfer

| | | | |
|------|---|--|---|
| (1) | Corporate Name | Hokkaido Electric Power Co., Inc. | |
| (2) | Head Office | 2, Higashi 1-chome, Odori, Chuo-ku, Sapporo, Hokkaido Prefecture | |
| (3) | Representative | President and Representative Director Susumu Saito | |
| (4) | Business Activities | Power generation and retail electricity business, etc. | |
| (5) | Share Capital | 114,291 million yen | |
| (6) | Date of Establishment | May 1, 1951 | |
| (7) | Net assets | 407,336 million yen | |
| (8) | Total assets | 2,244,003 million yen | |
| (9) | Shareholder | The Master Trust Bank of Japan, Ltd. (Trust account) | 9.99% |
| | | North Pacific Bank, Ltd. | 4.96% |
| | | Custody Bank of Japan, Ltd. (Trust account) | 3.40% |
| | | Nippon Life Insurance Company | 2.99% |
| | | Employee Stock Ownership Plan of Hokkaido Electric Power Co., Inc. | 2.44% |
| | | THE HOKKAIDO BANK, LTD. | 2.01% |
| | | Meiji Yasuda Life Insurance Company | 1.97% |
| | | CGMI-PRIME FINANCE CLEARANCE SECURITIES ACCOUNT | 1.77% |
| | | UBS AG LONDON A/C IPB SEGREGATED CLIENT ACCOUNT | 1.47% |
| | | THE BANK OF NEW YORK MELLON 140044 | 1.40% |
| (10) | Relationship between the listed company and the company concerned | Capital Relationships | Not applicable. |
| | | Personal Relationships | Not applicable. |
| | | Business | Japex has contracted LNG vaporization at the Soma |

| | | |
|--|----------------------|-----------------|
| | Relationships | LNG Terminal. |
| | Related Party Status | Not applicable. |

4. Transfer Schedule

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|-----|--|--|
| (1) | Date of resolution by the Board of Directors | December 3, 2025 |
| (2) | Date of contract | December 3, 2025 |
| (3) | Date of transfer | Fiscal year ending March 2027 (forecast) |

*The Business Transfer qualifies as a simplified business transfer under the parenthetical provision of Article 467, Paragraph 1, Item 2 of the Companies Act. It will therefore be executed without obtaining shareholders' meeting approval.

5. Outlook

In connection with the Business Transfer, JAPEX forecasts recognizing extraordinary income in the consolidated results for the fiscal year ending March 2027. The specific amount is currently under review. Should any matters requiring disclosure arise, JAPEX will promptly disclose stakeholders.

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