

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2026



Please note that the accompanying consolidated financial statements and notes are translation of the original Japanese document prepared in accordance with the provision set forth in the Companies Act of Japan and applicable regulations and in accordance with the accounting principles generally accepted in Japan and is only for reference purpose. In the event of any differences between this translated consolidated financial statements and the original Japanese document, the original Japanese document shall prevail.

Consolidated Balance Sheet

March 31, 2026

ASSETS	Millions of yen		Thousands of U.S. dollars (Note 1)
	March 31, 2026	March 31, 2025	March 31, 2026
Current assets			
Cash and cash equivalents	¥429,661	¥419,355	\$2,687,396
Receivables-trade (Note 7)	2,252	2,145	14,087
Inventories	256	207	1,603
Other current assets	3,563	12,483	22,284
Total current assets	435,732	434,190	2,725,370
Investments and other assets			
Investments in securities (Note 7)	77,835	82,209	486,835
Deferred tax assets	3,383	202	21,159
Other assets	940	990	5,878
Total investments and other assets	82,158	83,400	513,872
Property and equipment (Note 3)			
Buildings and structures	623	677	3,898
Wells	8,185	6,334	51,193
Machinery and equipment	3,389	3,407	21,195
Land	7	7	44
Construction in progress	58,996	30,928	369,003
Other	49	70	306
Total property and equipment	71,249	41,424	445,638
Intangible assets			
Mineral rights	2,097	2,116	13,116
Exploration expenditures	2,525	4,993	15,795
Allowance for exploration expenditures	(3,549)	(6,027)	(22,196)
Other	46	62	286
Total intangible assets	1,119	1,145	7,000
Total assets	¥590,258	¥560,159	\$3,691,881

Continued ...

Consolidated Balance Sheet

March 31, 2026

	Millions of yen		Thousands of U.S. dollars (Note 1)
	March 31, 2026	March 31, 2025	March 31, 2026
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable (Note 7)	¥5,471	¥6,503	\$34,219
Income taxes payable	1,406	2,069	8,794
Accrued expenses	3,622	2,603	22,652
Deposits received (Note 7)	175	174	1,094
Asset retirement obligations (Note 2(r), 4)	1,122	7,775	7,021
Other current liabilities	480	274	3,005
Total current liabilities	12,276	19,397	76,785
Long-term liabilities			
Long-term debt (Note 7)	40,177	17,757	251,294
Deferred tax liabilities	537	633	3,357
Asset retirement obligations (Note 2(r), 4)	37,770	34,904	236,239
Other long-term liabilities	133	292	833
Total long-term liabilities	78,617	53,587	491,723
Total liabilities	90,893	72,984	568,508
Contingent liabilities (Note 6)			
Equity (Note 5)			
Common stock	33,133	33,133	207,239
Shares authorized for both 2026 and 2025: 80,000,000			
Shares outstanding for both 2026 and 2025: 66,266,800			
Retained earnings	416,056	401,071	2,602,300
Total	449,189	434,205	2,809,539
Accumulated other comprehensive income			
Unrealized gains on available-for-sale securities	-	2,613	-
Deferred gains (losses) on hedges	(159)	(1)	(994)
Foreign currency translation adjustments	36,130	36,096	225,985
Total	35,972	38,707	224,991
Noncontrolling interests	14,204	14,264	88,843
Total equity	499,365	487,175	3,123,373
Total liabilities and equity	¥590,258	¥560,159	\$3,691,881

See notes to consolidated financial statements.

Consolidated Statement of Income

Year ended March 31, 2026

	Millions of yen		Thousands of U.S. dollars (Note 1)
	Year ended March 31, 2026	Year ended March 31, 2025	Year ended March 31, 2026
Net sales	¥22,849	¥23,885	\$142,916
Cost of sales	7,256	7,613	45,382
Gross profit	15,594	16,273	97,534
Selling, general, and administrative expenses	5,096	4,481	31,874
Operating income	10,498	11,792	65,661
Other income (expenses)			
Interest and dividend income	4,468	4,352	27,946
Interest expense	(1,306)	(252)	(8,169)
Equity in earnings (losses) of associated companies	130	4,913	814
Foreign exchange gain (loss)	(707)	(397)	(4,419)
Gain (loss) on write-off of asset retirement obligation of fully depreciated assets related to change in accounting estimate (Note 2(r))	(656)	(11,409)	(4,102)
Gain on sales of investments in securities	2,717	4,896	16,992
Provision for exploration expenditure	(1,102)	(858)	(6,896)
Reversal of provision for exploration expenditure	2,710	16,017	16,949
Other - net	(515)	(176)	(3,223)
Other income (expenses) - net	5,738	17,086	35,892
Income before income taxes	16,236	28,878	101,553
Income taxes			
Current	4,520	(2,859)	28,269
Deferred	(3,209)	464	(20,069)
Total income taxes	1,311	(2,396)	8,200
Net income	14,925	31,273	93,353
Net income attributable to noncontrolling interests	(59)	7,206	(371)
Net income attributable to owners of the parent	¥14,985	¥24,068	\$93,724
	Yen		U.S. dollars (Note 1)
	Year ended March 31, 2026	Year ended March 31, 2025	Year ended March 31, 2026
Per share of common stock			
Net income	¥226.12	¥363.19	\$1.41
Cash dividends applicable to the year	-	-	-

See notes to consolidated financial statements.

Consolidated Statement of Changes in Equity

Year ended March 31, 2026

	Millions of yen						
	Common stock	Retained earnings	Unrealized gains (losses) on available-for-sale securities	Deferred gains (losses) on hedges	Foreign currency translation adjustments	Noncontrolling interests	Total equity
BALANCE, March 31, 2024	¥33,133	¥377,004	¥8,439	(¥1)	¥26,761	¥7,058	¥452,394
Net income		24,068					24,068
Net changes of items other than shareholders' equity			(5,827)		9,334	7,206	10,713
Net change in the year	-	24,068	(5,827)	-	9,334	7,206	34,781
BALANCE, March 31, 2025	¥33,133	¥401,071	¥2,613	(¥1)	¥36,096	¥14,264	¥487,175
Net income		14,985					14,985
Net changes of items other than shareholders' equity			(2,613)	(157)	35	(59)	(2,794)
Net change in the year	-	14,985	(2,613)	(157)	35	(59)	12,190
BALANCE, March 31, 2026	¥33,133	¥416,056	-	(¥159)	¥36,130	¥14,204	¥499,365

	Thousands of U.S. dollars (Note 1)						
	Common stock	Retained earnings	Unrealized gains (losses) on available-for-sale securities	Deferred gains (losses) on hedges	Foreign currency translation adjustments	Noncontrolling interests	Total equity
BALANCE, March 31, 2025	\$207,239	\$2,508,576	\$16,341	(\$9)	\$225,767	\$89,214	\$3,047,128
Net income		93,724					93,724
Net changes of items other than shareholders' equity			(16,341)	(985)	218	(371)	(17,478)
Net change in the year	-	93,724	(16,341)	(985)	218	(371)	76,245
BALANCE, March 31, 2026	\$207,239	\$2,602,300	-	(\$994)	\$225,985	\$88,843	\$3,123,373

See notes to consolidated financial statements.

Notes to Consolidated Financial Statements

Year ended March 31, 2026

1. Basis of Presenting Consolidated Financial Statements

The accompanying consolidated financial statements have been prepared from the accounts maintained by Mitsui Energy Development Co., Ltd. ("MOECO"), in accordance with the provisions set forth in the Companies Act of Japan and applicable regulations (the "Companies Act") and in accordance with the accounting principles generally accepted in Japan. The information provided in the notes to the consolidated financial statements is limited to that required by the Companies Act. The consolidated statement of cash flows is presented herein, although the preparation of such statement is not required under the Companies Act.

In preparing these consolidated financial statements, certain reclassifications and rearrangements have been made to MOECO's consolidated financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan. In addition, certain reclassifications have been made in the 2024 consolidated financial statements to conform to the classifications used in 2025.

The consolidated financial statements are stated in Japanese yen, the currency of the country in which MOECO is incorporated and operates. The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥159.88= US\$1, the rate of exchange on March 31, 2026. The translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

Statement of comprehensive income is not required as a part of the basic financial statements under the Companies Act of Japan and applicable regulations and, accordingly, is not presented herein.

2. Summary of Significant Accounting Policies

a) Principles of consolidation and accounting for investments in affiliates

The accompanying consolidated financial statements include the accounts of MOECO, 12 subsidiaries (together, the "Group"), and 6 affiliates. The 12 subsidiaries are Moeco Thailand Co., Ltd., Moeco Vietnam Petroleum Co., Ltd., Moeco Southwest Vietnam Petroleum Co., Ltd., Moeco Libya Co., Ltd., Geothermal Ventures Japan GK, Siam Moeco Ltd., MOECO International B.V., MOECO OIL (SARAWAK) SDN.BHD., MOECO Southwest Vietnam Pipeline B.V., MOECO Sakakemang B.V., MOECO Southeast Jambi B.V., and MOECO South Sakakemang B.V. The 6 affiliates are Mitsui E&P Middle East B.V., Orange Energy Limited, Mitsui E&P UK Ltd., Erawan2 FSO Bahamas Ltd., Mitsui E&P Argentina S.A., and Iwate Geothermal Power Co., Ltd., and are accounted for by the equity method. Under the control and influence concepts, those companies in which MOECO, directly or indirectly, is able to exercise control over operations are fully consolidated, and those companies over which the Group has the ability to exercise significant influence are accounted for by the equity method. As the closing date of December 31 for certain subsidiaries and affiliates differed from the consolidated closing date, necessary adjustments have been made to the financial statements of those companies to reflect any significant transactions made between MOECO's closing date and those of the consolidated subsidiaries.

The excess of cost over the underlying net assets, excluding noncontrolling interests at fair value, as of their dates of acquisition, is accounted for as goodwill and amortized over 20 years by the straight-line method.

All significant intercompany balances and transactions are eliminated in consolidation.

b) Cash equivalents

Cash equivalents are short-term investments that are readily convertible into cash and that are exposed to insignificant risk of changes in value. Cash equivalents include time deposits that represent short-term investments, all of which mature or become due within six months of the date of acquisition.

c) Inventories

Inventories are stated at the lower of cost determined by the retail method, or net selling value.

d) Marketable and Investment securities

Depending on management's intent, marketable and investment securities are classified and accounted for as follows:

Marketable available-for-sale securities are reported at fair value with unrealized gains and losses, net of applicable taxes, reported in a separate component of equity.

Nonmarketable available-for-sale securities are stated at cost determined by the moving-average method.

For other-than-temporary declines in fair value, investment securities are reduced to net realizable value by a charge to income.

e) Property and equipment

Property and equipment are stated at cost. Depreciation is mainly calculated by the straight-line method over the estimated useful lives of the respective assets.

f) Mineral rights

Mineral rights are carried at cost, less accumulated amortization, which is calculated by the straight-line method over the duration of the petroleum production period, mainly fixed within a contract with the government.

g) Allowance for exploration expenditures

The costs that have been invested in exploration activities, such as geological and geophysical expenses, drilling, and other administration, are capitalized as exploration expenditures in intangible assets. An allowance for exploration expenditures is provided for future possible loss on exploration expenditures in the case of failure in exploration considering the possibility of recovery of exploration expenditures as there is a fairly low probability of success of exploration before approval for development by oil-producing countries.

Furthermore, an allowance for exploration expenditures is also provided for mineral rights, which includes a signature bonus and so on, associated with the conclusion of a contract with the government.

h) Long-lived assets

The Group reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or asset group may not be recoverable. An impairment loss is recognized if the carrying amount of an asset or asset group exceeds the sum of the undiscounted future cash flows expected to result from the continued use and eventual disposition of the asset or asset group. The impairment loss is measured as the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the discounted cash flows from the continued use and eventual disposition of the asset or the net selling price at disposition.

i) Liability for retirement benefits

Liability for retirement benefits is based on benefit reserves and plan assets in the actuarial report at the consolidated balance sheet date.

j) Income taxes

The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. Deferred taxes are measured by applying currently enacted tax laws to the temporary differences.

k) Foreign currency transactions

All short-term and long-term monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the exchange rates at the consolidated balance sheet date. The foreign exchange gains and losses from translation are recognized in the consolidated statement of income.

l) Foreign currency financial statements

The assets, liabilities, revenue, and expense accounts of overseas subsidiaries are translated into yen at the exchange rates of their balance sheet dates, and the differences arising from the translation are presented as “Foreign currency translation adjustments” in equity.

Differences arising from such translation are divided into “Foreign currency translation adjustments” and “Noncontrolling interests” in a separate component of equity.

m) Derivatives

The Group uses derivative financial instruments to manage its exposures to fluctuations in foreign exchange rates and commodity prices. Derivatives are stated at fair value and realized gains and losses on derivative transactions are recognized in the consolidated statement of income.

n) Per share information

Net income per share attributable to owners of the parent is calculated by dividing profit attributable to owners of the parent by the weighted-average number of common stock outstanding during the reporting period.

Cash dividends per share presented in the accompanying consolidated statement of income are dividends applicable to the respective years, including dividends to be paid after the end of the year.

o) Hedge activities

Hedging activities are accounted for on a deferred basis.

p) Change in presentation

Previously, derivative assets and liabilities were presented separately in the consolidated balance sheet. However, due to the immateriality, the presentation has been changed to include derivative assets in other current assets and derivative liabilities in other current liabilities.

q) Accounting estimates

The accounting item in the consolidated financial statements that is based on the accounting estimates and may significantly affect the consolidated financial statements in subsequent year is as follows:

Asset retirement obligation of ¥38,892 million (\$243,260 thousand)

r) Change in accounting estimates

For the year ended March 31, 2026, the Group has changed the accounting estimate of expenses related to the removal cost of some facilities producing crude oil and natural gas due to fluctuations in the unit cost of each process of the removal of facilities in Thailand. Due to this change in accounting estimate, the Group revised asset retirement obligations and deducted ¥93 million (\$580 thousand) from the amount of the liability for asset retirement obligations. Also, gross profit and operating income respectively decreased by ¥4 million (\$25 thousand) and income before income taxes decreased by ¥ 660 million (\$4,126 thousand). Meanwhile, the Group recorded the decrease in depreciation for changes in estimate for asset retirement obligations of depreciated asset in previous years of ¥656 million (\$4,102 thousand) as “Gain (loss) on write-off of asset retirement obligation of fully depreciated assets related to change in accounting estimate”.

If the unit cost of facility removal is revised in the future, such revision may have a significant impact on the consolidated financial statement for the subsequent fiscal years.

3. Accumulated Depreciation and Impairment

Accumulated depreciation and impairment of property and equipment for the years ended March 31, 2026 and 2025, were as follows:

	Millions of yen		Thousands of U.S. dollars
	March 31, 2026	March 31, 2025	March 31, 2026
Accumulated depreciation and impairment of property and equipment	¥97,790	¥93,059	\$611,646

4. Asset Retirement Obligations

The Group has estimated expenses to remove some facilities producing crude oil and natural gas in Thailand and recorded asset retirement obligations, which are expected to be incurred at the time of termination of the projects in the Gulf of Thailand. The discount rate is the distribution rate of U.S. Treasury Bills.

The changes in asset retirement obligations for the years ended March 31, 2026 and 2025, were as follows:

	Millions of yen		Thousands of U.S. dollars
	Year ended March 31, 2026	Year ended March 31, 2025	Year ended March 31, 2026
Balance at beginning of year	¥42,679	¥74,327	\$266,944
Additional provisions associated with acquisition of property and equipment	213	1,252	1,330
The decrease associated with disposition of property and equipment	(6,128)	(47,148)	(38,328)
The (decrease) increase associated with change of estimate	(93)	11,989	(580)
Adjustment associated with passage of time	748	521	4,678
Foreign currency translation adjustments	1,473	1,738	9,215
Balance at end of year	¥38,892	¥42,679	\$243,260

5. Equity

Japanese companies are subject to the Companies Act. The Companies Act requires that an amount equal to 10% of dividends must be appropriated as a legal reserve (a component of retained earnings) or as additional paid-in capital (a component of capital surplus) depending on the equity account charged upon the payment of such dividends until the total aggregate amount of legal reserve and additional paid-in capital equals 25% of the amount of common stock.

6. Contingent Liabilities

On March 31, 2026, MOECO had the following contingent liabilities:

(1) Guarantees of indebtedness of an affiliated company

MOECO provides guarantees to the financial institutions in relation to the borrowing of MOECO's affiliated company amounting to ¥23,953 million (\$149,820 thousand).

Mitsui & Co., Ltd. (the "Parent") provides guarantees to the financial institutions in relation to the borrowing of MOECO's affiliated company and MOECO guarantees its equity interest percentages of the affiliated company to the Parent amounting to ¥18,914 million (\$118,298 thousand).

(2) Revolving guarantees of contract performance bond of an affiliated company

The Parent provides revolving guarantees to the operator in relation to the contract performance of MOECO's affiliated company and MOECO guarantees its equity interest percentages of the affiliated company to the Parent amounting to a maximum limit of ¥3,354 million (\$20,981 thousand).

The financial institutions provide revolving guarantees to the operator in relation to the contract performance of MOECO's affiliated company and MOECO guarantees its equity interest percentages of the affiliated company to the financial institutions amounting to a maximum limit of ¥815 million (\$5,100 thousand).

7. Financial Instruments and Related Disclosures

(1) Policy for financial instruments

The Group emphasizes capital safety and liquidity in its fund management. Cash surpluses, if any, are invested in time deposits and short-term investments. Fund procurement is mainly operated by bank loans. Derivatives are not used for speculative purposes, but to manage exposure to financial risks.

(2) Nature and extent of risks arising from financial instruments and risk management

Receivables, such as trade accounts, are exposed to customer credit risk. The Group manages credit risk from receivables on the basis of internal guidelines.

Securities mainly consist of unlisted securities and are exposed to the credit risk of the issuers. This risk is managed by reviewing the financial condition of the issuers on a quarterly basis.

Debt loans are short-term debt incurred as temporary bridging funds and long-term debt for projects related to development and production.

Derivatives include commodity contracts for sale of oil and condensate, which are used to manage exposure to market risks from changes in sales price. The Group limits the counterparties to these contracts to major financial institutions and manages its credit risk at a low level.

(3) Fair values of financial instruments

For the year ended March 31, 2026, the consolidated balance sheet amount and fair values of financial instruments are as follows: Investments in equity instruments that do not have a quoted market price in an active market are not included in the following table. The fair values of cash and cash equivalents, income taxes payable, and accrued expenses are not disclosed because their maturities are short and the carrying values approximate fair value.

(a) Fair values of financial instruments

March 31, 2026	Millions of yen		
	Carrying amount	Fair value	Unrealized gain
Receivables-trade	¥2,252	¥2,252	-
Accounts payable	(5,471)	(5,471)	-
Deposits received	(175)	(175)	-
Total	¥(3,394)	¥(3,394)	-

March 31, 2025	Millions of yen		
	Carrying amount	Fair value	Unrealized gain
Receivables-trade	¥2,145	¥2,145	-
Marketable securities and investment securities	2,667	2,667	-
Accounts payable	(6,503)	(6,503)	-
Deposits received	(174)	(174)	-
Total	¥(1,865)	¥(1,865)	-

March 31, 2026	Thousands of U.S. dollars		
	Carrying amount	Fair value	Unrealized gain
Receivables-trade	\$14,087	\$14,087	-
Accounts payable	(34,219)	(34,219)	-
Deposits received	(1,094)	(1,094)	-
Total	\$(21,226)	\$(21,226)	-

(b) Financial instruments whose fair value cannot be reliably determined

	Carrying amount		
	Millions of yen		Thousands of U.S. dollars
	March 31, 2026	March 31, 2025	March 31, 2026
Unlisted shares	¥77,835	¥79,734	\$486,835

8. Other information

Following the final investment decision for the Malaysia SK405B oil and gas field development, the exploration expenditures totaling ¥3,462 million (\$21,656 thousand) were reclassified to construction in progress, and the allowance for exploration expenditures totaling ¥2,710 million (\$16,949 thousand) was reversed.

9. Significant Non-cash Transactions

	Millions of yen		Thousands of U.S. dollars
	Year ended March 31, 2026	Year ended March 31, 2025	Year ended March 31, 2026
Asset retirement obligations	¥120	¥13,241	\$750