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Japan Petroleum Exploration Co., Ltd.

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Listing: First Section, Tokyo Stock Exchange

Company Code: 1662

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Revision of Financial Results Forecasts for Fiscal Year 2004

Japan Petroleum Exploration Co., Ltd. (JAPEX) has revised its original financial results forecasts for fiscal year 2004 (April 1, 2003 ~ March 31, 2004), which were announced on December 10, 2003 at the time of the Company's listing on the Tokyo Stock Exchange. Details are as follows.

1. Revision of Financial Results Forecasts for Fiscal Year 2004 (April 1, 2003 ~ March 31, 2004)

(1) Consolidated

(Millions of yen)

	Net Sales	Ordinary Income	Net Income
Original Forecasts: A (Announced on December 10, 2003)	88,665	13,437	9,542
Revised Forecasts: B	96,100	14,200	9,700
Increase: B – A	7,435	763	158
Increase Ratio (%)	8.3	5.6	1.6
(Reference) Financial Results for the Previous Fiscal Year	90,683	12,769	8,828

(2) Non-consolidated

(Millions of yen)

	Net Sales	Ordinary Income	Net Income
Original Forecasts: A (Announced on December 10, 2003)	78,354	12,635	9,450
Revised Forecasts: B	82,400	12,700	9,600
Increase: B – A	4,046	65	150
Increase Ratio (%)	5.1	0.5	1.5
(Reference) Financial Results for the Previous Fiscal Year	77,490	11,578	8,385

2. Reasons for Revision

Supported by rising international crude oil prices, the average oil price the Company received was around ¥21,000/kl (approximately 15% higher than original forecasts). We expect this higher price to boost sales of crude oil by about ¥6.0 billion. In addition, we expect natural gas sales to exceed our original forecast by ¥1.0 billion on the back of a 4~5% increase in sales volumes from original estimates of around 1.23 billion m³. These rises are being driven by steadily growing sales volumes in Hokkaido and healthy demand from gas-fired thermal power plants. As a result of the above factors, the Company expects consolidated net sales to reach ¥96.0 billion, roughly 8% higher than original forecasts.

We expect this increase in net sales to outweigh an approximate ¥5.0 billion rise in the cost of sales due to the higher price of international crude oil purchased; an approximately ¥1.0 billion increase in domestic exploration costs due to higher project volume; and a deterioration in other income (expenses) due to the stronger yen and other factors. As a result, the Company is forecasting consolidated ordinary income of ¥14.2 billion and net income of ¥9.7 billion, 5.6% and 1.6% higher than original forecasts, respectively.

Note:

The above forecasts are based on information available to management at the time of release. Readers are warned that actual results may differ materially from forecasts due to a range of factors.

This report is a translation of the Japanese-language original.