

Consolidated Financial Results for the Fiscal Year Ended March 31, 2010

May 14, 2010

Note: The following report is a summary of the Japanese-language original.

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 Listing: Tokyo Stock Exchange, First Section
 Securities code: 1662
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Scheduled date of ordinary general shareholders' meeting: June 23, 2010
 Scheduled date to commence dividend payments: June 24, 2010
 Scheduled date to file Securities Report: June 24, 2010

(Millions of yen with fractional amounts discarded, unless otherwise noted)

1. Consolidated financial results for the fiscal year ended March 31, 2010

(April 1, 2009 – March 31, 2010)

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

Fiscal year ended	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2010	179,752	(11.1)	13,119	(34.7)	23,206	3.8	17,939	42.8
March 31, 2009	202,127	(2.7)	20,090	2.4	22,358	(17.9)	12,560	(37.5)

Fiscal year ended	Net income per share	Diluted net income per share	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to sales
	Yen	Yen	%	%	%
March 31, 2010	313.88	–	4.7	4.5	7.3
March 31, 2009	219.77	–	3.1	4.0	9.9

Reference: Equity in net income (loss) of non-consolidated subsidiaries and affiliates: FY2010 1,059 million yen FY2009 -270 million yen

(2) Consolidated financial position

As of	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2010	521,009	398,747	75.0	6,839.05
March 31, 2009	500,444	378,227	74.1	6,486.85

Reference: Equity As of March 31, 2010: 390,870 million yen As of March 31, 2009: 370,743 million yen

(3) Consolidated cash flows

Fiscal year ended	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2010	38,948	(29,300)	(4,054)	57,645
March 31, 2009	36,381	(23,342)	(477)	51,975

2. Cash dividends

Record date	Cash dividends per share					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, 2009	–	20.00	–	20.00	40.00	2,286	18.2	0.6
Fiscal year ended March 31, 2010	–	20.00	–	20.00	40.00	2,286	12.7	0.6
Fiscal year ending March 31, 2011 (Forecast)	–	20.00	–	20.00	40.00		22.3	

3. Consolidated financial forecasts for the fiscal year ending March 31, 2011 (April 1, 2010 - March 31, 2011) (Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
For the six months ending September 30, 2010	91,123	29.1	4,185	46.1	5,231	0.9	2,143	(38.7)	37.49
Fiscal year ending March 31, 2011	196,891	9.5	13,267	1.1	14,908	(35.8)	10,265	(42.8)	179.60

4. Others

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Changes in accounting policies, procedures, and methods of presentation for preparing the consolidated financial statements (changes described in the section of “Significant matters forming the basis of preparing the consolidated financial statements”)
 - a. Changes due to revisions to accounting standards and other regulations: Yes
 - b. Changes due to other reasons: Yes
- (3) Number of issued shares (common stock)
 - a. Total number of issued shares at the end of the period (including treasury stock)
 - As of March 31, 2010 57,154,776 shares
 - As of March 31, 2009 57,154,776 shares
 - b. Number of treasury shares at the end of the period
 - As of March 31, 2010 1,961 shares
 - As of March 31, 2009 1,783 shares

Reference: Summary of non-consolidated results

1. Non-consolidated financial results for the fiscal year ended March 31, 2010 (April 1, 2009 – March 31, 2010)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2010	131,082	(16.9)	11,150	(14.5)	23,500	(7.6)	18,370	(1.1)
March 31, 2009	157,818	(8.0)	13,037	(29.8)	25,445	43.5	18,571	30.1

Fiscal year ended	Net income per share	Diluted net income per share
	Yen	Yen
March 31, 2010	321.42	–
March 31, 2009	324.95	–

(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, 2010	478,514	368,151	76.9	6,441.53
As of March 31, 2009	466,550	350,991	75.2	6,141.26

Reference: Equity As of March 31, 2010: 368,151 million yen As of March 31, 2009: 350,991 million yen

* Proper use of financial forecasts, and other special matters

The forecast statements shown in this document are based on information that was available at the time of preparation. Actual performance may differ materially from these forecasts due to various factors. For the outlook for the fiscal year ending March 31, 2011, please refer to the section of “(1) Analysis of business performance” of “I. Business results” on page 4.

I. Business results

(1) Analysis of business performance

In the consolidated fiscal year ended March 31, 2010, the Japanese economy continued to be beset by increasingly stringent conditions with drastic deterioration of employment conditions and an extremely large drop in corporate earnings at the beginning of the fiscal year. A partial recovery emerged as summer began and, by the end of the fiscal year, corporate earnings and other indicators had improved overall, however, the economy is still severe as shown in some indicators such as unemployment rate stayed at a high level.

Although the Japan Crude Cocktail (JCC) price was a low mid-\$40 per barrel at the beginning of the fiscal year, by summer, it had risen to about \$70 followed by some slight fluctuations, however, it was just shy of \$80 at the end of the fiscal year.

In the area of FOREX, the yen's value against the US dollar started from the upper ¥90 range at the beginning of the fiscal year rising gradually to about ¥90 between early autumn and fiscal year-end.

As a result, the JAPEX Group's crude oil prices fell significantly compared to the previous fiscal year despite a certain degree of recovery in JCC prices from the low levels of the second half of the previous fiscal year to the beginning of the fiscal year under review.

In addition, the market environment of natural gas was quite a detriment for the Group as demand continued to wane on the heels of an ever worsening economy despite the implementation of the feedstock cost adjustment system for mixed supply of domestic natural gas and imported LNG with resulted in the partial revision of our natural gas pricing system.

Given this environment, the JAPEX Group endeavored to secure production and transportation, and focused on efficient E&P in Japan and overseas toward achieving a stable, long-term supply of energy essential for daily life.

During the fiscal year under review, net sales was at ¥179,752 million, a decrease of ¥22,374 million (-11.1%) year on year, as gross profit decreased by ¥13,394 million (-19.8%) year on year to ¥54,285 million. The main factors behind the year-on-year falls in both net sales and gross profit include not only drops in crude oil and bitumen prices, but also decreased income as a result of the expiry of the commercial production period of consolidated subsidiary Japex New Nanhai Ltd., which had been producing crude oil in China.

Exploration expenses decreased by ¥4,956 million (-32.3%) year on year to ¥10,396 million, mainly due to the decrease in exploration expenses both in Japan and in the Philippines, despite the increases in the expenditures for exploratory drilling activities and geological evaluations in Libya and Canada. Selling, general and administrative expenses declined by ¥1,467 million (-4.6%) year on year to ¥30,769 million as a result of a fall in the special petroleum gain levy in China following the expiry of the commercial production period of Japex New Nanhai Ltd. As a result of the above, operating income decreased by ¥6,971 million (-34.7%) year on year to ¥13,119 million.

Ordinary income was ¥23,206 million, ¥848 million increase (+3.8%) year on year due to increases in dividends income and other of non-operating income as well as decreases in loss on valuation of securities, provision for cost of abandonment and foreign exchange losses. The rise in other of non-operating income mainly resulted from a turnaround from equity in losses of affiliates to equity in earnings of affiliates.

Please note that, because of the increase in the importance of Diamond Gas Netherlands B.V., an affiliate of JAPEX, it is included in the scope of equity-method affiliates from the fiscal year under review.

Income before income taxes and minority interests was ¥23,368 million, a ¥6,260 million increase (+36.6%) year on year thanks to factors such as posting gain on change in equity to extraordinary income occurring as a result of the issuance of new shares after the listing of Japan Drilling Co., Ltd., an equity-method affiliate of JAPEX, as well as the decreases in loss on retirement of noncurrent assets and impairment loss.

Net income was ¥17,939 million, ¥5,378 million increase (+42.8%) year on year due to an increase in income taxes and others.

Below is a summary of earnings by business division.

(i) E&P Division

The E&P Division sells crude oil, natural gas, liquefied natural gas (LNG) and bitumen. During the fiscal year under review, this Division posted net sales of ¥148,604 million, down ¥34,867 million (-19.0%) year on year, mainly due to drops in crude oil and bitumen prices and the expiry of the commercial production period of Japex New Nanhai Ltd. and a decrease in the sales amount of crude oil traded from Sakhalin Oil & Gas Development Co., Ltd. (SODECO).

(ii) Contract Services Division

The Contract Services Division is primarily involved in drilling and geophysical surveys. During the fiscal year under review, it recorded net sales of ¥4,859 million, up ¥119 million (+2.5%) year on year.

(iii) Other Businesses Division

The Other Businesses Division is primarily involved in the sale of oil products, including liquefied petroleum gas (LPG) and fuel oil, the transportation of natural gas and oil products on consignment as well as other subcontracted tasks. During the fiscal year under review, this Division posted net sales of ¥26,289 million, up ¥12,373 million (+88.9%) year on year, partly because Japex Energy Co.,Ltd., which is mostly involved in the sale of oil products, became a consolidated subsidiary of JAPEX.

Outlook for the fiscal year ending March 31, 2011

Our forecast is based on a JCC price of \$80 per barrel and an exchange rate of ¥90/\$. Actual non-consolidated results for the fiscal year under review came to \$67.50 per barrel and ¥92.74/\$.

Net sales for the fiscal year ending March 31, 2011 is expected to increase by ¥17,138 million (+9.5%) from the previous fiscal year to ¥196,891 million. We project natural gas sale to go up thanks to increases in sales volume and prices resulting from a recovery in demand at industrial users and local distribution company. Sales of crude oil are expected to increase as crude oil prices go up.

Operating income is expected to increase by ¥148 million (+1.1%) year on year to ¥13,267 million due to higher exploration expenses despite the increases in the net sales.

Ordinary income is expected to decrease by ¥8,299 million (-35.8%) year on year to ¥14,908 million due to decreases such as in dividends income.

Net income is expected to decrease by ¥7,675 million (-42.8%) year on year to ¥10,265 million due to a projected extraordinary loss resulting from the application of the "Accounting Standards for Asset Retirement Obligations."

(2) Analysis of financial condition

a. Balance sheet

Total assets at the end of this fiscal year stood at ¥521,009 million, an increase of ¥20,565 million (+4.1%) year on year. Of this, current assets increased ¥8,449 million (+8.7%) to ¥105,569 million, and noncurrent assets jumped ¥12,115 million (+3.0%) to ¥415,439 million.

The primary change in current assets is increases such as in short-term loans receivable based on gensaki transactions (included in other of current assets at the end of the previous fiscal year) and in short-term investment securities from the purchase of MMF, etc., despite decreases in cash and deposits.

In noncurrent assets, property, plant and equipment increased ¥1,998 million (+1.4%). The factors for decrease such as depreciation expenses were smaller than the factors for increase such as drilling of two production wells at the Yufutsu oil and gas field in Hokkaido along with the increase in production facilities at the Katakai gas field in Niigata. Intangible assets increased ¥3,058 million (+69.6%) thanks mainly to our acquisition of E&P right relating to the Garraf oil field in the Republic of Iraq. Investments and other assets increased ¥7,059 million (+2.8%) as a result of factors such as the purchase of corporate bonds and increases such as in investment securities in connection with a revaluation of the market value of the stock of INPEX CORPORATION and in long-terms loans receivable extended to Kangean Energy Indonesia Ltd. (KEI) and EMP Exploration (Kangean) Ltd. (EMPE), both equity-method affiliates.

Total year-end liabilities increased ¥45 million (+0.0%) year on year to ¥122,261 million due to higher deferred tax liabilities and provision for retirement benefits despite decreases in notes and accounts payable-trade and long-term loans payable.

Total year-end net assets increased ¥20,519 million (+5.4%) year on year to ¥398,747 million as a result of increases in retained earnings as well as in valuation difference on available-for-sale securities and in foreign currency translation adjustment.

As a result, the equity ratio at March 31, 2010 was 75.0%.

b. Cash flows

As of March 31, 2010, cash and cash equivalents (hereinafter, “net cash”) totaled ¥57,645 million, up ¥5,669 million, compared to the end of the previous fiscal year. Below is a summary of cash flows for each activity.

(Net cash provided by (used in) operating activities)

Net cash provided by operating activities was ¥38,948 million. This is mainly attributable to ¥23,368 million in income before income taxes and minority interests and ¥23,237 million in depreciation and amortization.

(Net cash provided by (used in) investing activities)

Net cash used in investing activities amounted to ¥29,300 million. This is because the main uses, namely ¥29,074 million for purchase of property, plant and equipment, as iterated above, ¥4,519 million for purchase of intangible assets and ¥14,892 million for payments into time deposits, exceeded increasing factors such as ¥10,368 million in proceeds from withdrawal of time deposits and ¥10,523 million in interest and dividends income received.

(Net cash provided by (used in) financing activities)

Net cash used in financing activities amounted to ¥4,054 million. This was because the amount of proceeds from long-term loans payable of ¥1,934 million for the procurement of funds to be directed for investment in KEI and EMPE were exceeded by the amount of total expenditures such as ¥2,284 million of cash dividends paid and ¥2,278 million of repayment of long-term loans payable.

(Ref.) Trend of cash flow indicators

Fiscal years ended March 31	2006	2007	2008	2009	2010
Equity ratio (%)	72.5	71.0	70.8	74.1	75.0
Equity ratio on mark-to-market basis (%)	78.9	87.1	60.7	45.3	52.0
Interest-bearing debt to cash flow ratio (years)	0.5	0.6	0.7	0.8	0.7
Interest coverage ratio (times)	188.1	323.3	148.5	70.7	117.2

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 stock).
- *3. Cash flow is net cash provided by (used in) operating activities.
- *4. Interest-bearing debt is all debt subject to interest payments within liabilities shown on the consolidated balance sheets.

(3) Fundamental policy on allocation of profits and dividends for this year and next year

JAPEX’s basic policy is to sustain stable dividends over the long term. Taking into account the medium and long-term outlook for the business, dividend payments are set based on respect for the return of profits to shareholders. While considering the need to secure new reserves as an energy company that plays a role in providing stable supplies of oil and natural gas, indispensable resources for society, the policy also takes into account the need for retained earnings to finance the replacement of reserves and to upgrade and improve transportation systems, primarily pipelines.

Based on the above reasoning, an annual dividend of ¥40 per share (¥20 per share interim dividend and ¥20 per

share year-end dividend) is planned for the current year. The same dividend of ¥40 per share (¥20 per share interim dividend and ¥20 per share year-end dividend) is planned for the following year as well.

II. Business policies

(1) Fundamental business policies

Since its establishment in 1955, JAPEX has pursued its mission of contributing to Japan's energy supplies by securing reserves and expanding production centered on the exploration, development, and sale of oil and natural gas. Guided by this mission, JAPEX has steadily discovered oil and natural gas reserves to result in the business base of today.

In light of its expanding role as a supplier and, consequently, related increases in its responsibility to society with regard to a stable supply, the JAPEX Group is actively focused on constructing a new business model that not only relies on expanding reserves but also upgrading and expanding transportation systems for natural gas and other initiatives. As such, the Group aims to move forward as a company with the competitive capabilities required to respond to changes in its operating environment. The section below outlines the Group's business philosophy in this respect.

Taking on the challenge of new energy value creation and increasing corporate value

- Contribute to the supply of energy through global exploration and production (E&P) activities.
- Contribute to coexistence between the planet and humankind by developing and promoting the use of environment-friendly natural gas.
- Pursue sustainable growth and maximize shareholder value by placing top priority on winning and maintaining the trust of society, customers, shareholders and employees.

(2) Medium- and Long-term business strategy and critical issues

The replacement and expansion of reserves, which are depleted by production and sales activities, and the formulation of a supply structure of oil and natural gas that would ensure long-term stability is of paramount importance to JAPEX, a company whose business is centered on exploration, development and sales of these resources.

With changes in social conditions marked by an increase in the importance of global warming countermeasures and the advancing deregulations resulting from the revisions of the Electric Business Act and the Gas Business Act, the business environment encompassing JAPEX is undergoing a rapid transformation. As such, the JAPEX will aim to further increase its corporate value through the establishment of a clear action plan for the attainment of important business challenges over the long term by setting the following three activities as core business objectives; "Exploration/ development efficiency and discovery of new resources" "Reinforcing an efficient, integrated natural gas operation system" "Corporate efforts to research and develop technology and to protect global environment."

Details of the JAPEX Group Mid-term Business Plan (for fiscal years 2009 to 2013) released on May 21, 2008, may be accessed with the following URLs in our Website.

http://www.japex.co.jp/english/pdf/2008/20080521en_midtermplan_japex.pdf

http://www.japex.co.jp/pdf/2008/20080521d_japex.pdf

"Supplementary Materials to the mid-term business plan" (Japanese only)

Since the release of our mid-term business plan in May 2008, we have witnessed drastic changes in our business environment such as inevitable and significant drop in JAPEX's results attributable to the global financial crisis brought on by the U.S. sub-prime housing loan problem as well as the high yen and plunge in international crude oil prices on the heels of a simultaneous worldwide economic downturn. In response to such changes, JAPEX will steadfastly continue the abovementioned three activities as core business objectives, and, in the first half of business plan period, we will work towards improving earnings by postponing some domestic exploration projects and reducing expenses, among other initiatives, and make proactive investments with the aim of enlarging our profit base in the latter years of the business plan period and beyond during which we expect the economic climate to recover to a certain degree.

For more details, please refer to the following.

http://www.japex.co.jp/english/pdf/2009/JAPEX_Presentation_E_20090515.pdf

"Presentation of Consolidated Financial Results for the Fiscal Year Ended March 31, 2009"

During the fiscal year under review, despite a certain degree of recovery in oil prices, uncertainty remains in the business environment, therefore, JAPEx will continue to promote the aforementioned mid- to long-term business policies and strive to maximize business value by promoting existing projects including newly acquired rights and interests overseas while strengthening our human resource development and the system by which human resource capabilities are acquired.

The JAPEx Group aims to utilize these activities to further strengthen its operating base and enhance its competitiveness as well as bolster operating efficiency. The ultimate goal is to achieve sustainable development and maximize shareholder value.

III. Consolidated financial statements

(1) Consolidated balance sheets

(Millions of yen)

	As of March 31, 2009	As of March 31, 2010
Assets		
Current assets		
Cash and deposits	27,702	24,314
Notes and accounts receivable-trade	17,050	19,774
Short-term investment securities	11,510	17,669
Merchandise and finished goods	4,255	4,632
Work in process	553	386
Raw materials and supplies	6,200	5,398
Deferred tax assets	1,315	1,336
Short-term loans receivable	–	28,534
Other	28,543	3,532
Allowance for doubtful accounts	(12)	(10)
Total current assets	97,120	105,569
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	142,900	148,591
Accumulated depreciation	(90,876)	(97,743)
Buildings and structures, net	52,024	50,848
Wells	59,115	67,143
Accumulated depreciation	(41,003)	(47,830)
Wells, net	18,112	19,312
Machinery, equipment and vehicles	101,561	106,870
Accumulated depreciation	(53,282)	(59,330)
Machinery, equipment and vehicles, net	48,278	47,539
Land	15,338	14,955
Construction in progress	4,790	7,263
Other	14,310	15,130
Accumulated depreciation	(10,087)	(10,284)
Other, net	4,223	4,846
Total property, plant and equipment	142,767	144,765
Intangible assets		
Goodwill	1,063	–
Other	3,328	7,450
Total intangible assets	4,392	7,450
Investments and other assets		
Investment securities	241,945	246,141
Long-term loans receivable	13,432	15,377
Long-term accounts receivable-other	70	–
Deferred tax assets	648	1,332
Other	5,939	6,211
Allowance for doubtful accounts	(68)	(46)
Allowance for overseas investment loss	(5,803)	(5,793)
Total investments and other assets	256,164	263,223
Total noncurrent assets	403,324	415,439
Total assets	500,444	521,009

(Millions of yen)

	As of March 31, 2009	As of March 31, 2010
Liabilities		
Current liabilities		
Notes and accounts payable-trade	6,508	5,914
Income taxes payable	392	–
Provision for directors' bonuses	93	104
Provision for loss on disaster	188	–
Other	16,909	15,966
Total current liabilities	24,093	21,986
Noncurrent liabilities		
Long-term loans payable	25,325	24,471
Deferred tax liabilities	60,108	61,386
Provision for retirement benefits	5,732	6,429
Provision for directors' retirement benefits	559	690
Provision for cost of abandonment	5,725	6,216
Provision for loss on business of subsidiaries and affiliates	35	–
Other	635	1,080
Total noncurrent liabilities	98,123	100,275
Total liabilities	122,216	122,261
Net assets		
Shareholders' equity		
Capital stock	14,288	14,288
Retained earnings	255,499	271,858
Treasury stock	(9)	(10)
Total shareholders' equity	269,778	286,137
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	105,430	106,896
Deferred gains or losses on hedges	(0)	24
Foreign currency translation adjustment	(4,465)	(2,186)
Total valuation and translation adjustments	100,964	104,733
Minority interests	7,484	7,876
Total net assets	378,227	398,747
Total liabilities and net assets	500,444	521,009

(2) Consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2009 (April 1, 2008 – March 31, 2009)	Fiscal year ended March 31, 2010 (April 1, 2009 – March 31, 2010)
Net sales	202,127	179,752
Cost of sales	134,447	125,467
Gross profit	67,680	54,285
Exploration expenses		
Exploration expenses	16,272	10,865
Exploration subsidies	(920)	(468)
Total exploration expenses	15,352	10,396
Selling, general and administrative expenses	32,237	30,769
Operating income	20,090	13,119
Non-operating income		
Interest income	1,253	720
Dividends income	5,823	8,669
Gain on sales of securities	490	264
Reversal of provision for loss on business of subsidiaries and affiliates	275	35
Other	1,839	2,574
Total non-operating income	9,682	12,264
Non-operating expenses		
Interest expenses	494	291
Loss on sales of securities	432	88
Loss on valuation of securities	1,805	11
Provision for cost of abandonment	2,055	890
Foreign exchange losses	1,886	686
Other	740	206
Total non-operating expenses	7,414	2,176
Ordinary income	22,358	23,206
Extraordinary income		
Reversal of allowance for doubtful accounts	8	17
Gain on sales of noncurrent assets	0	0
Subsidy	191	–
Gain on change in equity	–	1,279
Other	–	242
Total extraordinary income	199	1,540
Extraordinary loss		
Loss on retirement of noncurrent assets	2,986	378
Impairment loss	2,312	575
Retirement benefit expenses for prior periods	–	265
Other	152	158
Total extraordinary losses	5,450	1,378
Income before income taxes and minority interests	17,108	23,368
Income taxes-current	1,879	4,135
Income taxes-deferred	1,686	307
Total income taxes	3,565	4,443
Minority interests in income	981	986
Net income	12,560	17,939

(3) Consolidated statements of changes in net assets

(Millions of yen)

	Fiscal year ended March 31, 2009 (April 1, 2008 – March 31, 2009)	Fiscal year ended March 31, 2010 (April 1, 2009 – March 31, 2010)
Shareholders' equity		
Capital stock		
Balance at the end of previous period	14,288	14,288
Balance at the end of current period	14,288	14,288
Retained earnings		
Balance at the end of previous period	245,225	255,499
Changes of items during the period		
Dividends from surplus	(2,286)	(2,286)
Net income	12,560	17,939
Change of scope of equity method	–	706
Total changes of items during the period	10,274	16,359
Balance at the end of current period	255,499	271,858
Treasury stock		
Balance at the end of previous period	(7)	(9)
Changes of items during the period		
Purchase of treasury stock	(2)	(0)
Total changes of items during the period	(2)	(0)
Balance at the end of current period	(9)	(10)
Total shareholders' equity		
Balance at the end of previous period	259,506	269,778
Changes of items during the period		
Dividends from surplus	(2,286)	(2,286)
Net income	12,560	17,939
Change of scope of equity method	–	706
Purchase of treasury stock	(2)	(0)
Total changes of items during the period	10,272	16,358
Balance at the end of current period	269,778	286,137

	(Millions of yen)	
	Fiscal year ended March 31, 2009 (April 1, 2008 – March 31, 2009)	Fiscal year ended March 31, 2010 (April 1, 2009 – March 31, 2010)
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	179,629	105,430
Changes of items during the period		
Net changes of items other than shareholders' equity	(74,199)	1,465
Total changes of items during the period	(74,199)	1,465
Balance at the end of current period	105,430	106,896
Deferred gains or losses on hedges		
Balance at the end of previous period	(0)	(0)
Changes of items during the period		
Net changes of items other than shareholders' equity	–	24
Total changes of items during the period	–	24
Balance at the end of current period	(0)	24
Foreign currency translation adjustment		
Balance at the end of previous period	716	(4,465)
Changes of items during the period		
Net changes of items other than shareholders' equity	(5,182)	2,278
Total changes of items during the period	(5,182)	2,278
Balance at the end of current period	(4,465)	(2,186)
Total valuation and translation adjustments		
Balance at the end of previous period	180,346	100,964
Changes of items during the period		
Net changes of items other than shareholders' equity	(79,381)	3,769
Total changes of items during the period	(79,381)	3,769
Balance at the end of current period	100,964	104,733
Minority interests		
Balance at the end of previous period	8,373	7,484
Changes of items during the period		
Net changes of items other than shareholders' equity	(888)	391
Total changes of items during the period	(888)	391
Balance at the end of current period	7,484	7,876
Total net assets		
Balance at the end of previous period	448,226	378,227
Changes of items during the period		
Dividends from surplus	(2,286)	(2,286)
Net income	12,560	17,939
Change of scope of equity method	–	706
Purchase of treasury stock	(2)	(0)
Net changes of items other than shareholders' equity	(80,270)	4,160
Total changes of items during the period	(69,998)	20,519
Balance at the end of current period	378,227	398,747

(4) Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2009 (April 1, 2008 – March 31, 2009)	Fiscal year ended March 31, 2010 (April 1, 2009 – March 31, 2010)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	17,108	23,368
Depreciation and amortization	21,521	23,237
Impairment loss	2,312	575
Amortization of goodwill	1,014	1,207
Loss on retirement of property, plant and equipment	2,964	360
Loss (gain) on valuation of short-term and long term investment securities	1,805	11
Increase (decrease) in allowance for doubtful accounts	(26)	(24)
Increase (decrease) in provision for retirement benefits	459	695
Increase (decrease) in provision for directors' retirement benefits	47	130
Increase (decrease) in provision for cost of abandonment	1,870	395
Increase (decrease) in allowance for overseas investment loss and provision for loss on business of subsidiaries and affiliates	(2,092)	(46)
Interest and dividends income	(7,077)	(9,389)
Interest expenses	494	291
Loss (gain) on redemption of securities	81	(47)
Loss (gain) on redemption of investment securities	39	–
Loss (gain) on sales of short-term and long term investment securities	(57)	(176)
Equity in (earnings) losses of affiliates	270	(1,059)
Loss (gain) on change in equity	–	(1,279)
Decrease (increase) in notes and accounts receivable-trade	8,511	(2,623)
Decrease (increase) in inventories	(517)	656
Increase (decrease) in notes and accounts payable-trade	(11,410)	(752)
Increase (decrease) in accrued consumption taxes	(383)	1,214
Other, net	4,966	733
Subtotal	41,901	37,482
Proceeds from collection of claim for indemnity of debt guarantee	1,134	–
Other proceeds	191	–
Income taxes (paid) refund	(6,845)	1,466
Net cash provided by (used in) operating activities	36,381	38,948
Net cash provided by (used in) investing activities		
Payments into time deposits	(8,306)	(14,892)
Proceeds from withdrawal of time deposits	2,572	10,368
Proceeds from sales and redemption of securities	2,246	1,159
Purchase of property, plant and equipment	(28,012)	(29,074)
Proceeds from sales of property, plant and equipment	20	12
Purchase of intangible assets	(593)	(4,519)
Purchase of investment securities	(2,607)	(5,695)
Proceeds from sales and redemption of investment securities	9,039	5,062
Payments of loans receivable	(6,064)	(2,025)
Collection of loans receivable	312	58
Interest and dividends income received	7,607	10,523
Other, net	442	(276)
Net cash provided by (used in) investing activities	(23,342)	(29,300)

	(Millions of yen)	
	Fiscal year ended March 31, 2009 (April 1, 2008 – March 31, 2009)	Fiscal year ended March 31, 2010 (April 1, 2009 – March 31, 2010)
Net cash provided by (used in) financing activities		
Proceeds from long-term loans payable	6,014	1,934
Repayment of long-term loans payable	(2,278)	(2,278)
Purchase of treasury stock	(2)	(0)
Cash dividends paid	(2,284)	(2,284)
Cash dividends paid to minority shareholders	(1,387)	(1,038)
Interest expenses paid	(514)	(332)
Other, net	(25)	(54)
Net cash provided by (used in) financing activities	(477)	(4,054)
Effect of exchange rate change on cash and cash equivalents	(3,025)	75
Net increase (decrease) in cash and cash equivalents	9,534	5,669
Cash and cash equivalents at beginning of period	42,440	51,975
Cash and cash equivalents at end of period	51,975	57,645

IV. Others

Status of Production and Sales

1. Production

Oil and Natural Gas Segment

Division	Product	Fiscal year ended March 31, 2009 (April 1, 2008 – March 31, 2009)	Fiscal year ended March 31, 2010 (April 1, 2009 – March 31, 2010)
E&P	Crude oil (kl)	748,022 (136,632)	614,401 (21,556)
	Natural gas (thousand m ³)	1,286,621 (57,843)	1,250,630 (48,395)
	LNG (t)	46,796	57,599
	Bitumen (kl)	416,369 (416,369)	411,603 (411,603)

- Notes:
1. The figures in parentheses represent overseas production and are included in the total.
 2. Part of the natural gas production volume is used as a feedstock for LNG.
 3. Bitumen is a type of extra-heavy oil extracted from oil sands.
 4. The reason for the year-on-year decline in the production volume of overseas crude oil was the expiry in February 2009 of the commercial production period of a consolidated subsidiary Japex New Nanhai Ltd.

2. Sales

Oil and Natural Gas Segment

Division	Product	Fiscal year ended March 31, 2009 (April 1, 2008 – March 31, 2009)		Fiscal year ended March 31, 2010 (April 1, 2009 – March 31, 2010)	
		Volume	Amount (Millions of yen)	Volume	Amount (Millions of yen)
E&P	Crude oil (kl)	1,919,959	102,845	1,714,012	69,308
	Natural gas (thousand m ³)	1,485,961	54,126	1,499,236	55,593
	LNG (t)	177,401	13,412	186,268	12,268
	Bitumen (kl)	417,423	13,087	411,394	11,433
	Subtotal		183,471		148,604
	Contract services		4,739		4,859
	Other businesses		13,916		26,289
	Total		202,127		179,752

- Notes:
1. Other Businesses Division is primarily involved in the sale of oil products, including liquefied petroleum gas (LPG) and fuel oil, the transportation of natural gas and oil products on consignment as well as other subcontracted tasks.
 2. Monetary amounts in the table do not include consumption tax.