

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

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Securities Code: 1662

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### Notice of Financial Forecasts Revision

Based on recent business performance, Japan Petroleum Exploration Co., Ltd. (hereinafter “JAPEX”) hereby revises its consolidated financial forecasts announced on May 12, 2016, as follows.

1. Revision to consolidated forecasts for the six months ending September 30, 2016 (April 1, 2016 - September 30, 2016).

|                              | Net sales<br><br>(Unit:<br>Millions of<br>yen) | Operating<br>income<br><br>(Unit:<br>Millions of<br>yen) | Ordinary<br>income<br><br>(Unit:<br>Millions of<br>yen) | Profit<br>attributable<br>to owners<br>of parent<br>(Unit:<br>Millions of<br>yen) | Net<br>income per<br>share<br><br>(Unit: yen) |
|------------------------------|--|--|---|---|---|
| Previous forecasts (A)       | 80,596   | (2,339)  | (372)   | 657   | 11.50   |
| Revised forecasts (B)        | 90,129   | (3,316)  | (466)   | 399   | 6.98  |
| Difference in amount (B – A) | 9,533  | (977)  | (94)  | (258)   | —   |
| Rate of change (%)           | 11.8   | —  | —   | (39.3)  | —   |
| (Reference) FY 2016/3 1Q-2Q  | 124,157  | 5,407  | 8,842   | 7,963   | 139.34  |

Note: FY=Fiscal Year (FY2017/3, for instance, means 12 months ending March 31, 2017)

2. Revision to consolidated forecasts for FY 2017/3 (April 1, 2016 - March 31, 2017)

|  | Net sales<br><br>(Unit:<br>Millions of<br>yen) | Operating<br>income<br><br>(Unit:<br>Millions of<br>yen) | Ordinary<br>income<br><br>(Unit:<br>Millions of<br>yen) | Profit<br>attributable<br>to owners<br>of parent<br>(Unit:<br>Millions of<br>yen) | Net<br>income per<br>share<br><br>(Unit: yen) |
|--|--|--|---|---|---|
| Previous forecasts for FY2017/3 (A)      | 194,575  | 400  | 1,014   | 1,985   | 34.73   |
| Revised forecasts for FY2017/3 (B)       | 198,057  | (549)  | 725   | 1,874   | 32.79   |
| Difference in amount (B – A)             | 3,482  | (950)  | (289)   | (110)   | —   |
| Rate of change (%)                       | 1.8  | —  | (28.5)  | (5.6)   | —   |
| (Reference) Actual results for FY 2016/3 | 240,302  | 8,336  | 4,652   | 2,090   | 36.58   |

3. Reason for revision:

JAPEX revises the consolidated financial forecasts of the six months ending September 30, 2016. Although net sales is expected to increase, operating income, ordinary income and profit attributable to owners of parent for the six months ending September 30, 2016 are expected to decrease compared to the previous forecasts unveiled on May 12, 2016.

Regardless of increasing net sales by the increase in sales volume of overseas oil, operating income, ordinary income and profit attributable to owners of parent are expected to decline due to correct the nominal of exchange rates (USD/JPY).

Amount of decrease in ordinary income and profit attributable to owners of parent is expected to shrink by recording foreign currency translation gains and losses in foreign currency-denominated debt of overseas subsidiary (Unrealized gain or loss at the time of converting the US dollar-denominated debt in the Canadian dollar) as non-operating income.

Additionally, for the same reasons as above, JAPEX revises the consolidated financial forecasts of the fiscal year ending March 31, 2017. Compared to the previous forecasts unveiled on May 12, 2016, net sales is expected to increase, but operating income is expected to turn into operating expenses, and ordinary income and profit attributable to owners of parent are expected to decrease.

(Reference)

[Nominal JCC price]

Previous forecasts:

|                             |                 |
|-----------------------------|-----------------|
| April – September, 2016     | \$40 per barrel |
| October, 2016 – March, 2017 | \$50 per barrel |

Current forecasts:

|                          |                             |
|--------------------------|-----------------------------|
| April – June, 2016       | \$37.17 per barrel (Actual) |
| July, 2016 – March, 2017 | \$50 per barrel (Forecast)  |

[Nominal exchange rates]

Previous forecasts:

|                           |            |
|---------------------------|------------|
| April, 2016 – March, 2017 | JPY115/USD |
|---------------------------|------------|

Current forecasts:

|                          |                        |
|--------------------------|------------------------|
| April – June, 2016       | JPY110.71/USD (Actual) |
| July, 2016 – March, 2017 | JPY105/USD (Forecast)  |

\*The aforementioned forecasts are based on management's assumptions with information available at this time and the actual results may be different from the forecast figures because of various factors that could occur in the future.