



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

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Notice of Financial Forecasts Revision and Interim Dividend Payout and Year-end Dividend Forecast Revisions

Based on recent business performance, Japan Petroleum Exploration Co., Ltd. (hereinafter “JAPEX”) hereby revised its consolidated financial forecasts announced on August 5, 2016 as below.

In addition, today its Board of Directors resolved the dividend payout from earnings (interim dividend) to the shareholders of record on September 30, 2016 and revised its forecast of year-end dividend as follows.

1. Financial Forecasts Revision

(1) Revision to consolidated forecasts for the fiscal year ending March 31, 2017
(FY2017/3; April 1, 2016 - March 31, 2017)

	Net sales (Unit: Millions of yen)	Operating income (loss) (Unit: Millions of yen)	Ordinary income (loss) (Unit: Millions of yen)	Profit (loss) attributable to owners of parent (Unit: Millions of yen)	Net income (loss) per share (Unit: yen)
Previous forecasts (A)	198,057	(549)	725	1,874	32.79
Revised forecasts (B)	189,528	(1,285)	(3,725)	(341)	(597)
Difference in amount (B – A)	(8,529)	(736)	(4,450)	(2,215)	-
Rate of change (%)	(4.3)	-	-	-	-
(Reference) Results of FY 2016/3	240,302	8,336	4,652	2,090	36.58

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

(2) Reasons for Revision

By compared to the previous forecasts unveiled on August 5, 2016, net sales and operating loss are expected to be lower, and ordinary income and profit attributable to owners of parent are expected to turn to losses. The reasons of its revision are decrease in sales and profit due to decline of crude oil and gas prices, and expansion of the loss ranges by turning exchange gains to exchange losses due to the fluctuation of the exchange rates.

(Reference)

[Crude Oil (CIF: Cost, Insurance and Freight) Price]

Previous: 37.17 US\$/bbl of the result from April to June, 2016
50.00 US\$/bbl of the assumption from July, 2016 to March, 2017
Revised: 37.17 US\$/bbl of the result from April to June, 2016
45.92 US\$/bbl of the result from July to September, 2016
45.00 US\$/bbl of the assumption from October, 2016 to March, 2017

[Exchange Rate]

Previous: 110.71 yen/US\$ of the result from April to June, 2016
105.00 yen/US\$ of the assumption from July, 2016 to March, 2017
Revised: 110.71 yen/US\$ of the result from April to June, 2016
105.32 yen/US\$ of the result from July to September, 2016
100.00 yen/US\$ of the assumption from October, 2016 to March, 2017

(Note) 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.

2. Interim Dividend Payout and Year-end Dividend Forecast Revisions

(1) Dividend Payout from Earnings (Interim Dividend) of the Fiscal Year ending March, 2017

	Dividend Resolved to be Distributed	Latest Dividend Forecast (announced on August 5, 2016)	Actual Result of Interim Dividend (2nd Quarter of FY2016/3)
Record Date	September 30, 2016	September 30, 2016	September 30, 2015
Dividend per Share	5.00 yen	25.00 yen	25.00 yen
Total Cash Dividend	285 million yen	-	1,428 million yen
Payable Date	December 13, 2016	-	December 2, 2015
Dividend Resource	Retained Earnings		Retained Earnings

(2) Revision of Year-end Dividend Forecast of the Fiscal Year ending March, 2017

	Cash Dividend per Share		
	Interim	Year-end	Total
Latest Dividend Forecast *	25.00 yen	25.00 yen	50.00 yen
Revised Dividend Forecast	-	Undetermined	Undetermined
Actual Dividend Result	5.00 yen	-	-
Previous Dividend Result **	25.00 yen	25.00 yen	50.00 yen

* Announced on August 5, 2016

** The fiscal year ended March 31, 2016 (FY2016/3)

(3) Reasons for Revisions

JAPEX has the basic policy on profit distribution to maintain long-term and stable dividends for shareholders, and decided to set the price of dividend based on medium to long term business forecasts and retained earnings with regard to return our profit to the shareholders.

In this time, JAPEX has regrettably revised the interim dividend recorded September 30, 2016 to 5.00 yen per share from 25.00 yen per share of the latest forecast due to significant downturn of its financial results and forecasts. The year-end dividend forecast recorded March 31, 2017 will be announced right after the decision considering our financial forecasts.

Seriously accepted the result of lower revisions of financial forecast and cutting the interim dividend, JAPEX will consider and execute the measures of financial improvement such as the company-wide level cost reductions including compensation reduction of directors and officers, sales of our portfolio assets, and others. Furthermore, JAPEX will struggle for the transform of corporate structure to maintain the corporate soundness even in low oil price environment, and pursue to enhance our corporate value.

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