



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 Recognizing Non-operating Expenses
Based on Equity in Loss of Affiliates

Japan Petroleum Exploration Co., Ltd. (hereinafter “JAPEX”) announced today that we recognized non-operating expenses of 7.2 billion yen in its consolidated financial forecasts ending March 31, 2017 due to equity in loss of affiliates according to Japan Drilling Co., Ltd. (hereinafter “JDC”, Securities Code: 1606, listed in the first section of the Tokyo Stock Exchange), which is an affiliated company accounted for by the equity-method.

1. Reason of recognition

JDC announced today that they recognized loss attributable to owners of parent of 23.3 billion yen in their consolidated financial forecasts ending March 31, 2017 due to an extraordinary loss by accumulated impairment loss for non-current assets.

As a result, JAPEX also recognized non-operating expenses of 7.2 billion yen on our consolidated financial results by equity in loss of affiliates based on 30.98% equity share of JDC.

2. Impact on consolidated financial results

JAPEX already included its impact of 3.2 billion yen into the latest consolidated financial forecasts ending March 31, 2017 unveiled on February 8, 2017. Therefore, its non-operating expenses will increase 4 billion yen compared to the forecasts by this recognition.

The consolidated financial results ending March 31, 2017 are under examination including its impact and we will disclose it appropriately.

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