



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

November 9, 2018

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Notice of Financial Forecasts Revision

Japan Petroleum Exploration Co., Ltd. (JAPEX) hereby revised its consolidated financial forecasts announced on August 8, 2018 based on our recent business trends and performance.

Notice of Financial Forecasts Revision

(1) Revision to consolidated forecasts for FY2019/3 (April 1, 2018 - March 31, 2019)

	Net sales (Millions of yen)	Operating profit (Millions of yen)	Ordinary profit (Millions of yen)	Profit attributable to owners of parent (Millions of yen)	Net income per share (yen)
Previous forecasts (A)	284,019	2,125	10,003	11,007	192.59
Revised forecasts (B)	288,330	526	12,390	12,393	216.84
Difference in amount (B - A)	4,310	(1,599)	2,387	1,386	
Rate of change (%)	1.5	(75.2)	23.9	12.6	
(Reference) FY 2018/3	230,629	8,764	3,828	(30,958)	(541.69)

Note: FY=Fiscal Year (FY2019/3, for instance, means 12 months ending March 31, 2019)

(2) Reasons of revision

Compared to the previous announcement on August 8, 2018, Net sales is expected to increase mainly due to higher volume of purchased crude oil and the rise in its sales price.

Operating profit is expected to decrease mainly due to decline in profit from diluted bitumen(*) sales by the downtrend in a heavy oil price index in Canada, despite the uptrend in the WTI oil price index.

Ordinary profit and profit attributable to owners of parent is expected to increase mainly due to increase in equity in gains of affiliates and decrease in foreign exchange losses.

* Diluted bitumen is made by adding condensates to bitumen, which is a kind of extra heavy oil with strong viscosity extracted from oil sands layer. By increasing fluidity, the sales via pipeline transportation as heavy oil equivalent is enabled. Diluted bitumen is traded in heavy oil index and is affected by supply and demand trends of heavy oil.

(3) Reference

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

(USD/bbl)

Previous		Revised	
Average from April 2018 to June 2018 (actual)	67.95	Average from April 2018 to September 2018 (actual)	72.47
July 2018 to March 2019 (forecast)	70.00	October 2018 to March 2019 (forecast)	75.00

[Exchange Rate]

(JPY/USD)

Previous		Revised	
Average from April 2018 to June 2018 (actual)	107.42	Average from April 2018 to September 2018 (actual)	109.18
July 2018 to March 2019 (forecast)	110.00	October 2018 to March 2019 (forecast)	110.00

Note: The aforementioned forecasts are based on the current available information and the actual performances and other results may differ materially due to various factors in the future.

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