



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

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Notice of Financial Forecasts Revision

Japan Petroleum Exploration Co., Ltd. (JAPEX) hereby revised its consolidated financial forecasts for FY2020/3 announced on May 10, 2019 based on our recent business trends and performance.

(1) Revision to consolidated forecasts for FY2020/3 (April 1, 2019 - March 31, 2020)

| | 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) | 308,650 | 5,603 | 12,670 | 11,413 | 199.70 |
| Revised forecasts (B) | 325,014 | 11,344 | 20,694 | 18,022 | 315.34 |
| Difference in amount (B - A) | 16,363 | 5,742 | 8,024 | 6,609 | |
| Rate of change (%) | 5.3 | 102.5 | 63.3 | 57.9 | |
| (Reference) FY 2019/3 | 267,980 | 2,313 | 12,523 | 14,770 | 258.44 |

Note: FY=Fiscal Year (FY2020/3, for instance, means 12 months ended March 31, 2020)

(2) Reasons of revision

Compared to the previous announcement on May 10, 2019, net sales is expected to increase mainly due to growth in sales volume of diluted bitumen, and rise in sales price of crude oil in the first quarter of the FY2020/3.

Operating profit is expected to increase mainly due to growth in sales volume of diluted bitumen as mentioned above, and improvement in sales revenue by rise in sales price stemming from the narrowing of light-heavy differential(*) .

Ordinary profit and profit attributable to owners of parent are expected to increase mainly due to increase in equity in dividend income.

* "Light-heavy differential" is the differential between Western Canadian Select (WCS), which is a major benchmark in Canadian heavy crude oil pricing used as the reference price for diluted bitumen, and WTI, which is the primary benchmark in light crude oil pricing. WCS fluctuates depending on WTI, and demand and supply of heavy crude oil price in North America.

(3) Reference

[Crude Oil Price (JCC: Japan Crude Cocktail)]

(USD/bbl)

| Previous | | Revised | |
|--|-------|---|-------|
| Average from April 2019 to March 2019 (forecast) | 65.00 | Average from April 2019 to June 2019 (actual) | 68.77 |
| | | July 2019 to March 2020 (forecast) | 65.00 |

[Exchange Rate]

(JPY/USD)

| Previous | | Revised | |
|--|--------|---|--------|
| Average from April 2019 to March 2020 (forecast) | 110.00 | Average from April 2019 to June 2020 (actual) | 111.11 |
| | | July 2019 to March 2020 (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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