



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

Financial Results

for the fiscal year Ended March 31, 2020

May 14, 2020

Japan Petroleum Exploration Co., Ltd.

Agenda

I . Financial Highlights, Progress of Mid-term Business Plan

Masahiro Fujita

Representative Director and President, Chief Executive Officer

II . FY3/20 Financial Results

Michiro Yamashita

Director, Managing Executive Officer

III . FY3/21 Forecasts

Michiro Yamashita

Director, Managing Executive Officer

I . Financial Highlights, Progress of Mid-term Business Plan

Masahiro Fujita

Representative Director and President, Chief Executive Officer

Summary

FY20/3 Results (FY2019)

Operating profit ¥ 14.2 bn. (YoY + ¥ 11.9 bn.)
Profit attributable to owners of parent ¥ 26.8 bn. (YoY + ¥ 12.0 bn.)

- ✓ Profit increased owing to increase in sales volume of diluted bitumen, the improved WCS differential as well as the absence of foreign exchange losses incurred in the previous period

FY3/21 Forecasts (FY2020)

Operating loss - ¥ 8.2 bn. (YoY - ¥ 22.5 bn.)
Profit attributable to owners of parent - ¥ 3.1 bn. (YoY - ¥ 30.0 bn.)

- ✓ Expecting increase in sales of electricity owing to the start of commercial operations at the Fukushima Natural Gas Power Plant, while expecting decrease in profit due to collapse in oil price
- ✓ Assuming decrease in crude oil sales volume due to suspension of operation and production in Garraf Oil Field in Iraq, under COVID-19 pandemic situation

Progress of Mid-term Business Plan

Promote 3 main business to achieve the ROE target of 5% or more, that is set in Mid-term Business Plan

- ✓ Follow a fund allocation policy of FY2022 targeted strategy while FY3/21 forecast worsened by decline of oil price

Return to Shareholders

FY3/20 annual dividend of ¥ 50.0 per share (Increased by ¥ 10.0)
FY3/21 dividend forecast of ¥ 50.0 per share (Interim and year-end dividend of ¥ 25.0 respectively)

- ✓ In line with its basic policy of maintaining the stable payout of dividends, increase corporate value in mid-to-long term and further enhance of shareholder returns by improving the soundness of its financial position and facilitating growth investment

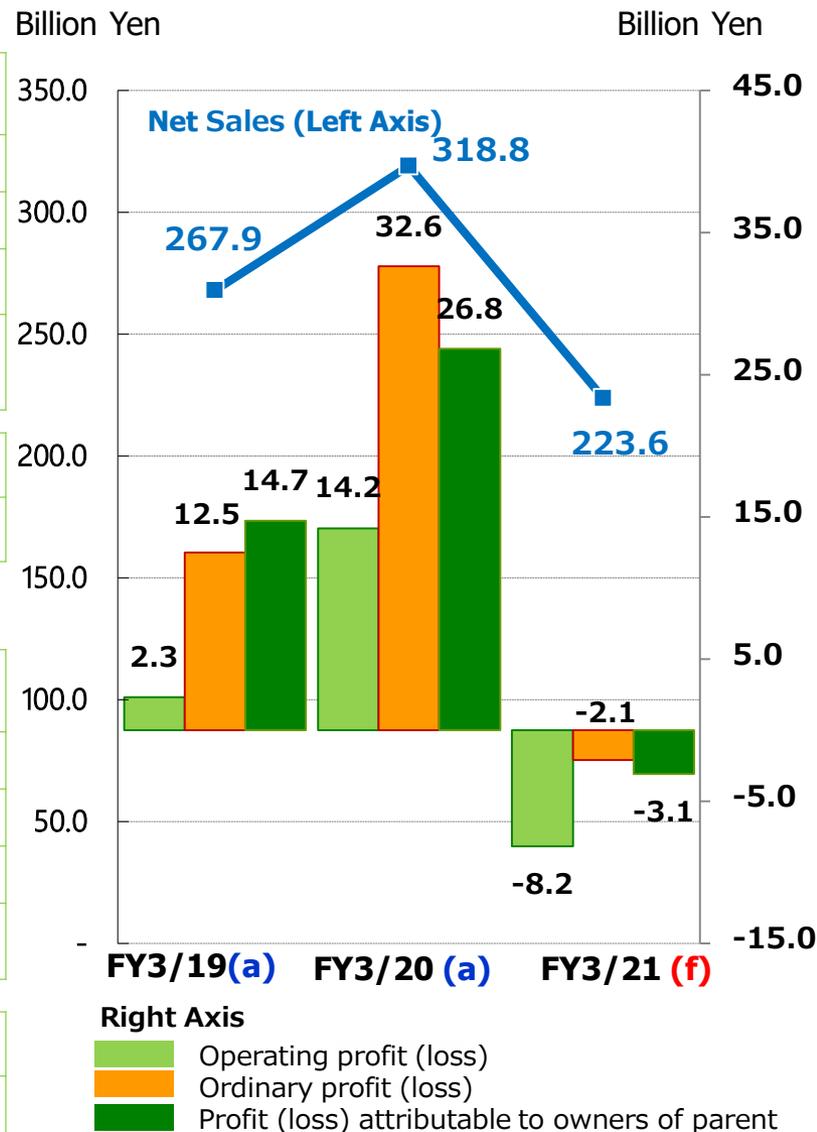
Financial Highlights : FY3/20 and FY3/21 Forecasts

FY3/20 Results (Year-on-year)

Billion Yen	FY3/19 (a)	FY3/20(a)	Change	
Net sales	267.9	318.8	+50.8	+18%
Operating profit	2.3	14.2	+11.9	+517%
Ordinary profit	12.5	32.6	+20.1	+160%
Profit attributable to owners of parent	14.7	26.8	+12.0	+81%
Crude oil price (CIF) (USD/bbl)	71.94	68.11	-3.83	-5%
Exchange rate (JPY/USD)	110.35	109.15	-1.20	-1%

FY3/21 Forecasts (Year-on-year)

Billion Yen	FY3/20(a)	FY3/21(f)	Change	
Net sales	318.8	223.6	-95.1	-30%
Operating profit (loss)	14.2	-8.2	-22.5	-%
Ordinary profit (loss)	32.6	-2.1	-34.7	-%
Profit (loss) attributable to owners of parent	26.8	-3.1	-30.0	-%
Crude oil price (CIF) (USD/bbl)	68.11	40.00	-28.11	-41%
Exchange rate (JPY/USD)	109.15	108.00	-1.15	-1%



Long-term Vision and Mid-term Business Plan

Long-term Vision 2030

“Growth to the Integrated Energy Company Utilizing Oil and Gas E&P and its Supply Basis”

Target Realize E&P and Non-E&P profit* composition ratio to 6:4 in 2030

*Sum of Operating profit and Equity method investment income

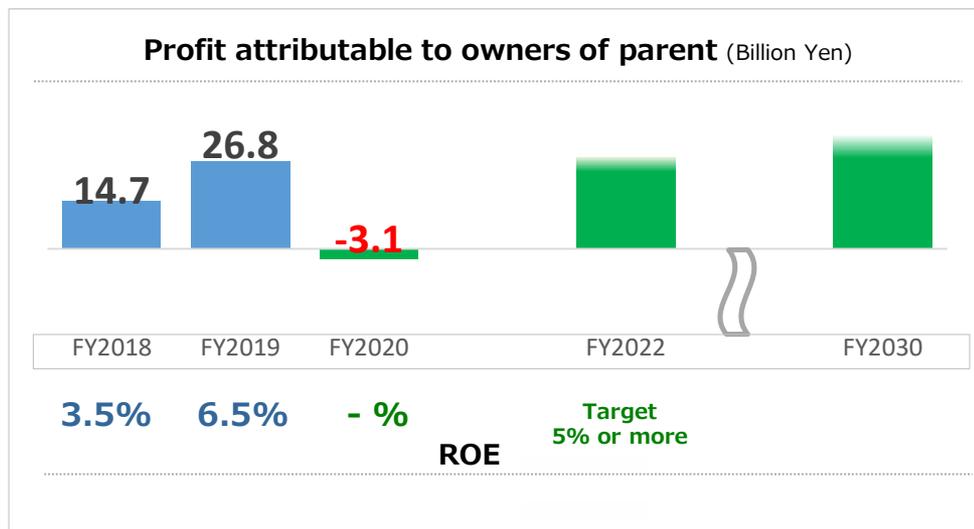
Mid-term Business Plan 2018-2022

Improve financial position and diversify the base of business as first 5 years toward the realization of Long-term Vision

Target Achieve ROE of 5% or more in FY2022 under assumed JCC price of USD60/bbl

- ROE resulted in 6.5% for FY2019
- Covid-19 pandemic and the collapse in oil prices likely to interfere with the achievement of ROE target for FY2020

“ Promote Mid-term Business Plan aiming financial structure that is not affected by oil price volatility”



FY2019 Progress to the Target

E&P Business

Long-term Targets

Maintain "RRR*¹ > 1"

FY2022 Target and FY2019 Progress

- Made a steady progress on exploration and development activities as well as the outlook study for additional development to maintain and increase reserves
- Continued screening for working interest acquisition in overseas

Infrastructure & Utility Business

Long-term Targets

Promote Supply of Energy with a low environmental impact

FY2022 Target and FY2019 Progress

- Transacted 1.2 million tons (LNG equivalent) to the target of 1.6 million tons
- Committed electricity sales of JAPEX offtake from FGP *² toward the target electricity sales volume of 2.8 billion kWh

New Business

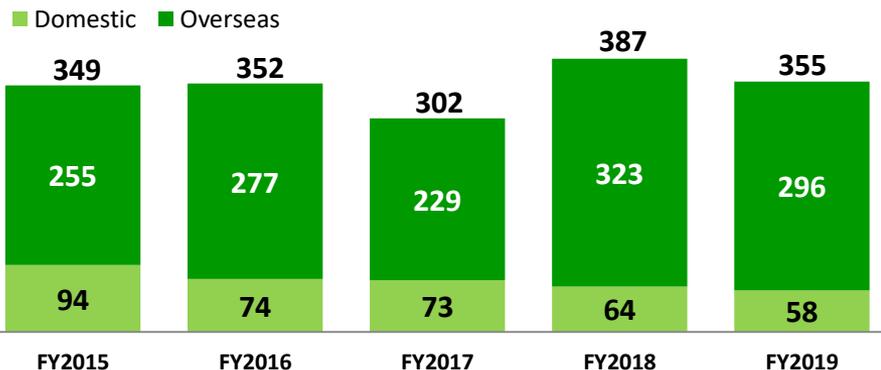
Long-term Targets

Generate Environmentally Friendly New Business

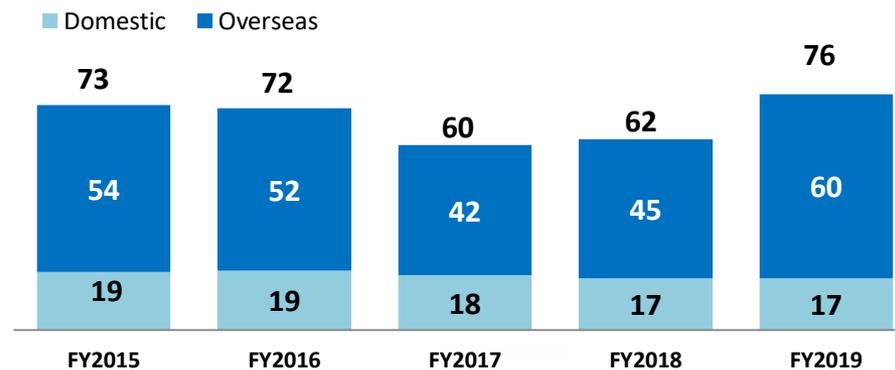
FY2022 Target and FY2019 Progress

- Searching potential business to which know-how and experience of LNG supply are applicable, to develop new business model
- Realizing the ideas of new business seeds, received within and outside of the company

Proved reserves (MMBOE*³)



Production volume (MBOED*⁴)



Notes *1 Reserve Replacement Ratio

*2 Fukushima Natural Gas Power Plant, LNG regasified gas fueled and operated by Fukushima Gas Power Co., Ltd. which JAPEX hold 33% of shares (Started commercial operation in April 2020)

*3 Barrels of Oil Equivalent

*4 Barrels of Oil Equivalent per Day

FY2019 Progress and FY2020 Outlook on Main Projects

■ Business development : □ Growth investment / ● Demonstration or Examination phase : ○ Growth investment

FY2019 result

FY2020 outlook

<p>E&P</p>	<p>Increase domestic reserves in mid-to-long term</p> <ul style="list-style-type: none"> ● Completed exploratory drilling and survey offshore the Hidaka Area in Hokkaido <p>Promote and improve profitability of Overseas projects</p> <ul style="list-style-type: none"> □ Started development work in U.K. North Sea Seagull Project (Planned to start production in 2021 end^{*1}) 	<p>Maintain and Increase domestic production volume</p> <ul style="list-style-type: none"> ■ Start production in Yufutsu shallow reservoir in Hokkaido (Planned in June 2020^{*2}) <p>Develop Overseas E&P projects and improve profitability</p> <ul style="list-style-type: none"> ■ Achieve 230KBD in Iraq Garraf Project (Planned in Dec 2020^{*1}) <p>Ongoing</p> <ul style="list-style-type: none"> ➢ Domestic – Pursue activities to maintain and increase production volume and to increase reserves in mid-to-long term ➢ Overseas – Improve profitability of 2 projects in Canada / Examine potential opportunities for the acquisition of additional working interest
<p>I/U^{*3}</p>	<p>Domestic Stable Supply of Natural Gas</p> <ul style="list-style-type: none"> ■ Established the LNG Marketing and Procurement Dept./ Start-up Singapore Office <p>Renewable Energy Development</p> <ul style="list-style-type: none"> ■ Established the Renewable Energy Business Dept. 	<p>Solid Business foundation against oil price volatility</p> <ul style="list-style-type: none"> ■ Commercial Operation Commencement of Fukushima Natural Gas Power Plant^{*4} (April 2020) <p>Ongoing</p> <ul style="list-style-type: none"> ➢ Increase new customer or sale of natural gas / Procure competitive-price LNG ➢ Examine potential opportunities to participate in the Renewable Energy Development
<p>New Business</p>	<p>Next-Generation Technology Development</p> <ul style="list-style-type: none"> ● Achieved a cumulative total of 300,000 tons of CO₂ injection in the CCS^{*5} demonstration project at Tomakomai, Hokkaido <p>New Business Model Construction</p> <ul style="list-style-type: none"> ○ Conducted a study of LNG bunkering framework based on Tomakomai Port <p>New business seeds Identification</p> <ul style="list-style-type: none"> ○ Started a study to build value chain for SAF^{*6} with used cooking oil as feedstock 	<p>Ongoing</p> <ul style="list-style-type: none"> ➢ Pursue development of Next-Generation Technology such as CCS^{*5} · CCUS^{*7}/Methane Hydrate/Survey Technologies for deep sea mineral resources ➢ Develop New business model in field adjacent to existing business leveraging our technologies and experience ➢ Identify new business seeds and solicit ideas internally

Notes*1 Timing of the achievement is unforeseeable due to COVID-19 pandemic situation

*2 Timing of the production commencement is unforeseeable due to decline of oil price

*3 Infrastructure/Utility

*4 Promoted by Fukushima Gas Power Co., Ltd. in which JAPEX and business partners participate

*5 Carbon dioxide Capture and Storage

*6 Sustainable Aviation Fuel

*7 Carbon dioxide Capture, Utilize, and Storage

Financial Position and Fund Allocation Policy

FY2022 target

- Reduce interest-bearing debt by approx. ¥ 100 to ¥ 120 bn.
- Place equal weight on E&P and non-E&P in terms of facilitation of growth investment, under the financial discipline of the Debt-to-EBITDA ratio at less than 2.0 times
- Further enhance shareholder returns over the mid-to-long term, in line with a basic policy of securing a long-term stable stream of dividends

Consolidated Financial Position

	FY2018	FY2019
Cash and deposit *1	¥ 88.1bn.	¥ 119.9bn.
Investment Securities	¥ 137.7bn.	¥ 88.9bn.
Interest-bearing debt*2	¥ 151.7bn.	¥ 140.8bn.
EBITDA*3	¥ 41.7bn.	¥ 58.2bn.
Debt-to-EBITDA ratio	Approx.3.6	Approx.2.4

Fund Allocation Policy for the FY2019-2022, FY2019 results and outlook for FY2020 onward

FY2019-2022 policy	Allocation	FY2019 investment results	FY2019-2022
① Improve the profitability of existing projects	Approx. ¥ 60 bn. →	Approx. ¥ 7.0 bn. →	
② Reduce interest-bearing debt	Approx. ¥ 55 bn. →	Approx. ¥ 11.0 bn. →	Follow the initial policy
③ Facilitate growth investment	Approx. ¥ 65 bn. →	Approx. ¥ 1.0 bn. →	
④ Stable streamline of dividends and enhance shareholders return	¥ 9 bn. or more *4 →	¥ 50.0 per share of annual dividend (Increased 10.0 yen from initial forecast) →	Continue stable payout of dividends (Planned ¥ 50.0 per share of dividend in FY2020)
⑤ Verify the propriety of its cross-shareholdings	- →	Partially sold →	Continue to verify

Notes

*1 Cash and deposits and investment in existing projects do not include remaining funds set aside for the Garraf Project (FY2018 approx. ¥29.3 bn./FY2019 approx. ¥40.1 bn.) as well as additional investment to be allocated to achieve the daily production of 230,000 barrels.

*2 Interest-bearing debt includes lease obligations, retirement benefit liabilities and contingent liabilities.

*3 EBITDA is the total of operating income, depreciation and interest and dividends received.

*4 Funds to be allocated for shareholder returns are based on the premise that amount of dividends being paid remain unchanged from the dividend forecasts for FY2019 annual dividends. (¥ 40.0 or more per share of annual dividends)

Involvement in ESG Issues

FY2019 result

FY2020 outlook (Planned timing)

	FY2019 result	FY2020 outlook (Planned timing)
Environment	<p>Contribution to the Low-carbonization</p> <ul style="list-style-type: none"> ✓ Established the dedicated organization for renewable energy development <p>Accelerated correspondence to Environmental issues</p> <ul style="list-style-type: none"> ✓ Introduced Internal Carbon Pricing (ICP) to the investment evaluation process for JAPEX's main businesses <p>Response to the TCFD*1 Recommendations</p> <ul style="list-style-type: none"> ✓ Started to annually report Board of Directors of business risks including such related to climate change 	<p>Response to the TCFD*1 Recommendations</p> <ul style="list-style-type: none"> ✓ Consolidate a system of risk management including risks related to climate change (within FY2020) ✓ Establish GHG*2 emission target and monitoring system (within FY2020) <ul style="list-style-type: none"> ➢ Planned to gradually expand the response to the TCFD*1 recommendations, including information disclosures
Social	<p>Stable Energy Supply and contribution to society</p> <ul style="list-style-type: none"> ✓ Assigned staff in admin. Dept. to promote digital transformation (DX) <p>Developing a Rewarding work environment</p> <ul style="list-style-type: none"> ✓ Appointed a first female general manager ✓ Revised Personnel Systems : Introduced the role-based payroll ✓ Implemented development program for managerial talent 	<p>Stable Energy Supply and contribution to society</p> <ul style="list-style-type: none"> ✓ Start of commercial Fukushima Natural Gas Power Plant (April 2020) <p>Developing a Rewarding work environment</p> <ul style="list-style-type: none"> ✓ Review human resource development and training system (within FY2020)
Governance	<p>Strengthen Corporate Governance Structure</p> <ul style="list-style-type: none"> ✓ Increased the number of outside directors from 2 to 3 ✓ Restructured the member of Executive Committee as decision making body <p>Promotion of compliance</p> <ul style="list-style-type: none"> ✓ Revised Code of Conduct into Code of Ethics and Conduct <p>Risk Management</p> <ul style="list-style-type: none"> ✓ Revised BCP assumed severe earthquake in the metropolitan area 	<p>Strengthen Corporate Governance Structure</p> <ul style="list-style-type: none"> ✓ Increase the number of outside directors from 3 to 4 (June 2020*3) ✓ Shorten the term of Directors from 2 to 1 year (June 2020*3) ✓ Revise remuneration plan for Directors (June 2020*3) <p>Promotion of compliance</p> <ul style="list-style-type: none"> ✓ Participate in UN Global Compact (within FY2020) <p>Risk Management</p> <ul style="list-style-type: none"> ✓ Formulate BCP under COVID-19 pandemic situation

Notes *1 Task Force on Climate-related Financial Disclosures
 *2 Greenhouse gas
 *3 To be proposed in the general meeting of shareholders in June 2020

II. FY3/20 Financial Results

Michiro Yamashita

Director, Managing Executive Officer

Natural Gas Sales for FY3/20 (Year-on-Year)

Net sales : Million Yen		FY3/19(a)		FY3/20(a)		Change			
		Sales volume	Net sales	Sales volume	Net sales	Sales volume		Net sales	
Natural gas	Million M3	1,731	67,820	1,699	67,231	-31	-1%	① -588	-0%

Sales by region

Japan	Million M3	1,243	65,435	1,268	64,965	+24	+1%	-469	-0%
(Gas produced in Japan)		630	-	582	-	-48	-7%	-	-
Overseas* ¹		487	2,384	431	2,265	② -56	-11%	-119	-5%

Comments on main factors for change

- ①Growth in sales price in Japan
- ②Decrease in shale gas sales volume in Canada

*1 Include the volume of 2 overseas subsidiaries (JAPEX Montney Ltd., and Japex (U.S.) Corp.)

Crude Oil Sales for FY3/20 (Year-on-Year)

Net sales : Million Yen		FY3/19(a)		FY3/20(a)		Change				
		Sales volume	Net sales	Sales volume	Net sales	Sales volume		Net sales		
Crude Oil	Thousand KL	3,064	124,696	4,563	173,177	①	+1,499	+48%	+48,481	+38%

Equity oil sales

Crude oil - Japan*1	Thousand KL	261	13,746	304	14,800		+43	+16%	+1,053	+7%
Crude oil - overseas*2		366	16,599	1,123	45,372	②	+756	+206%	+28,773	+173%
Diluted bitumen*3		1,176	30,116	1,639	45,025	③	+463	+39%	+14,909	+49%

Sales price and exchange rate

		FY3/19(a)	FY3/20(a)	Change	
Crude oil price (CIF)	USD/bbl	71.94	68.11	-3.83	-5%
Diluted bitumen*3		36.67	39.85	+3.18	+8%
Exchange rate	JPY/USD	110.35	109.15	-1.20	-1%

Comments on main factors for change

- ①Growth in sales volume of overseas crude oil and diluted bitumen
- ②Growth in crude oil sales volume of Garraf Oil Field, Iraq
- ③Growth in bitumen sales volume of the Hangingstone Lease in Canada, and improved price differential between WCS*4 and WTI

*1 Exclude purchased crude oil

*2 Include the amounts of 3 overseas subsidiaries (Japex Garraf Ltd., JAPEX Montney Ltd. and Japex (U.S.) Corp.)

*3 Royalty is excluded in the net sales and price of diluted bitumen

*4 Western Canadian Select

FY3/20 Results (Year-on-Year)

Million Yen	FY3/19(a)	FY3/20(a)	Change	
Net sales	267,980	318,822	+50,842	+18%
Gross profit	34,846	47,042	+12,196	+35%
Exploration expenses	788	893	+104	+13%
SG&A expenses	31,743	31,864	+121	+0%
Operating profit	2,313	14,283	+11,970	+517%
Non-operating income	10,209	18,351	+8,141	+79%
Ordinary profit	12,523	32,635	+20,112	+160%
Extraordinary income (loss)	550	-731	-1,282	-%
Income taxes	-1,254	4,788	+6,043	-%
Profit (loss) attributable to non-controlling interests	-441	299	+741	-%
Profit attributable to owners of parent	14,770	26,815	+12,044	+81%

Comments on main factors for change
Increase factor "+" / Decrease factor "()"

Gross profit

Domestic business +¥0.2 bn.
Overseas business +¥11.9 bn.

Non-operating income

Equity on earnings (¥0.5 bn.)
Foreign currency translation adjustments on debt etc.
(FY3/19) Loss of ¥5.2 bn. → (FY3/20) Gains of ¥2.4 bn.
+¥7.7 bn.
Dividend income +¥3.5 bn.
(FY3/19) Gains of ARO cancellation due to sale of the Hangingstone lease interest
(¥3.2 bn.)

Extraordinary income

(FY3/19) Gain on sale of property (¥0.7 bn.)
Impairment loss on Amarume Oil Field in Japan
(¥0.5 bn.)

Income taxes

(FY3/19) Increase in tax expense due to absence of one-time factor incurred in previous period (¥3.1 bn.)
(FY3/19) Application of foreign tax credit on Garraf Project (¥2.6 bn.)
Tax expense of JACOS (¥1.2 bn.)
Tax effect of U.K. North Sea Seagull Project +¥1.5 bn.

Ⅲ. FY3/21 Forecasts

Michiro Yamashita

Director, Managing Executive Officer

Price Assumptions for FY3/21 Forecasts

			Upper: from January 2019 to March 2020					Full year
			Lower: from January 2020 to March 2021					
			Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	
WTI	USD/bbl	2019 (a)	54.90	59.82	56.45	56.96	-	57.14
		2020 (f)	46.17	35.00	35.00	35.00	-	37.72
Crude oil price (CIF)	USD/bbl	2019 (a)	-	68.77	69.95	64.72	69.47	68.11
		2020 (f)	-	40.00	40.00	40.00	40.00	40.00
Exchange rate	JPY/USD	2019 (a)	-	111.11	108.26	107.71	109.29	109.15
		2020 (f)	-	108.00	108.00	108.00	108.00	108.00
JACOS Diluted bitumen* ¹	USD/bbl	2019 (a)	37.98	44.20	39.83	36.62	-	39.85
		2020 (f)	22.45	19.34	20.08	20.04	-	20.52
JML Natural gas* ²	CAD/mcf	2019 (a)	2.28	1.33	1.41	2.02	-	1.77
		2020 (f)	2.14	1.80	1.80	1.80	-	1.88

*1 Diluted bitumen sales price of Japan Canada Oil Sands Ltd. (Excl. Royalty)

*2 Gas sales price of JAPEX Montney Ltd. (Excl. Royalty)

Change in Sales Classification

Changed the classification of sales, to associate with E&P and Non-E&P defined in our Long-term Vision 2030

- Reorganized current classification into E&P, Infrastructure & Utility, and Other businesses, triggered by the start of full scale business of power generation.
- Included "Natural Gas -Japan" in the I&U, based on our recognition that Natural Gas business in Japan is highly integrated with our domestic infrastructures.

■ FY3/20

Described in this material

Oil and gas	Crude oil	Japan
		Overseas
		Purchased oil
		Diluted bitumen
	Natural gas	Japan
		Overseas
LNG		

Contract services	
-------------------	--

Other businesses	Oil products / merchandise	
	Others	

■ FY3/21~

Described in this material

 New addition

E&P	Crude oil	Japan
		Overseas
		Purchased oil
	Diluted bitumen	
Infrastructure & Utility	Natural gas	Overseas
	Natural gas	Japan
	LNG	
	Electricity	
	Others* ¹	

Other businesses	Contract services	
	Oil products / merchandise	
	Others	

*1 Include net sales from commissioned regasification of LNG

E&P Business Sales Forecasts for FY3/21

Net sales : Million Yen		FY3/20 (a)		FY3/21 (f)		Change				
		Sales volume	Net sales	Sales volume	Net sales	Sales volume		Net sales		
E&P Business	-	-	175,443	-	74,618	-	-	①	-100,825	-57%

Equity oil & Gas

Crude oil	Thousand KL	2,924	128,152	1,797	50,666	-1,127	-39%	-77,487	-60%	
Crude oil - Japan		304	14,800	318	8,597	+14	+4%	-6,203	-42%	
Crude oil - overseas*1		1,123	45,372	90	2,406	②	-1,033	-92%	-42,966	-95%
Purchased crude oil		1,496	67,979	1,390	39,662	-107	-7%	-28,317	-42%	
Diluted bitumen*2		1,639	45,025	1,520	21,191	③	-119	-7%	-23,835	-53%
Natural Gas - Overseas*3	Million M3	431	2,265	506	2,762	④	+75	+17%	+496	+22%

Comments on main factors for change

- ① Decrease in crude oil sales volume in overseas, and decrease in sales price and volume of diluted bitumen
- ② Decrease in crude oil sales volume of Garraf Oil Field, Iraq
- ③ Decrease in diluted bitumen sales volume and price of the Hangingstone Lease, Canada
- ④ Growth in shale gas sales volume in Canada

*1 Include the amounts of 3 overseas subsidiaries (Japex Garraf Ltd., JAPEX Montney Ltd. and Japex (U.S.) Corp.)

*2 Royalty is excluded in the net sales and price of diluted bitumen

*3 Include the volume of 2 overseas subsidiaries (JAPEX Montney Ltd., and Japex (U.S.) Corp.)

Infrastructure & Utility Business Sales Forecasts for FY3/21

Net sales : Million Yen		FY3/20 (a)		FY3/21 (f)		Change		
		Sales volume	Net sales	Sales volume	Net sales	Sales volume		Net sales
Infrastructure & Utility Business	-	-	88,658	-	102,188	-	-	① +13,530 +15%

Breakdown

Natural Gas - Japan	Million M3	1,268	64,965	1,229	55,458	-40	-3%	-9,508	-15%
- Produced in Japan		582	-	514	-	-68	-12%	-	-
LNG	Thousand Ton	273	19,395	301	18,493	+27	+10%	-902	-5%
Electricity	Million kWh	110	974	2,763	22,835	② +2,653	+2,408%	+21,861	+2,244%
Others*1	-	-	3,323	-	5,402	-	-	③ +2,079	+63%

Comments on main factors for change

- ① Growth in electricity sales volume
- ② Growth in electricity sales volume owing to the start of commercial operation of the Fukushima Natural Gas Power Plant
- ③ Growth in commissioned regasification sales revenue related to LNG regasification commissioned from Fukushima Natural Gas Power Plant

*1 Include net sales from commissioned regasification of LNG

FY3/21 Forecasts

Million Yen	FY3/20 (a)	FY3/21 (f)	Change	
Net sales	318,822	223,685	-95,138	-30%
Gross profit	47,042	24,996	-22,047	-47%
Exploration expenses	893	988	+95	+11%
SG&A expenses	31,864	32,230	+365	+1%
Operating profit (loss)	14,283	-8,222	-22,506	-
Non-operating income	18,351	6,083	-12,268	-67%
Ordinary profit (loss)	32,635	-2,139	-34,774	-
Extraordinary income (loss)	-731	-29	+703	-
Income taxes	4,788	1,853	-2,936	-61%
Profit (loss) attributable to non-controlling interests	299	-828	-1,128	-
Profit (loss) attributable to owners of parent	26,815	-3,193	-30,008	-

Comments on main factors for change
Increase factor "+" / Decrease factor "(")"

Gross profit

Domestic business (¥4.5 bn.)
Overseas business (¥17.5 bn.)

Non-operating income

Equity on earnings (¥7.1 bn.)
Foreign currency translation adjustments on debt
(FY3/20) Gains of ¥2.4 bn. → (FY3/21) Not expected (¥2.4 bn.)
Dividend income (¥1.6 bn.)
Interest income (¥0.4 bn.)

Extraordinary income

(FY3/20) Impairment loss on Amarume Oil Field in Japan
+¥0.5 bn.

Income taxes

Decrease in taxable income +¥2.9 bn.

Sensitivities Analysis on FY3/21 Forecasts basis

	FY3/21 Assumptions	Fluctuation	Impacts on profit (Million Yen)		Main factors for change Increase factor “+” / Decrease factor “()”
			Operating profit	Profit attributable to owners of parent	
Crude oil price	Crude oil price (CIF) USD 40.00/bbl	Increase by 1USD/bbl	520	460	+ Sales of oil and gas (Increase in LNG procurement cost)
	WTI USD 35.00/bbl		330	311	+ Sales of diluted bitumen
Exchange rate	¥108.00/USD	1 weaker yen against USD	20	-20	+ Sales of oil and gas (Increase in LNG procurement cost)
Natural gas price in Canada	CAD 1.88/mcf ¥82.00/CAD	Increase by 1CAD/mcf	640	670	+ Sales of shale gas in Canada (Increase in operation cost of the Hangingstone lease)

- Changes in equity method investment gain is not included in the above amount.
- In addition to the impact of exchange rate fluctuations shown on the above, translation adjustments of foreign-currency-denominated receivables and payables may be incurred.
- Actual profits may be influenced by a variety of other factors besides crude oil prices and exchange rates.

Appendix

- 1. Net Sales Breakdown**
- 2. Financial Results**
- 3. Cash Flows and Financial Ratio**
- 4. Business Base**

1.1 Net Sales Breakdown - E&P Business

Million Yen	FY3/19(a)	FY3/20(a)					FY3/21(f)
	Full year	1Q	2Q	3Q	4Q	Full year 1Q-4Q	Full year
		5.14					
Sales of E&P business	127,080	54,133	39,284	51,859	30,165	175,443	74,618
Sales volume of Crude oil (Thousand KL)	1,888	891	578	853	601	2,924	1,797
Net sales	94,579	42,717	26,185	39,146	20,103	128,152	50,666
Sales volume of Crude oil - Japan (Thousand KL)	261	79	68	77	79	304	318
Net sales	13,746	3,997	3,374	3,621	3,807	14,800	8,597
Sales volume of Crude oil - overseas*1 (Thousand KL)	366	465	163	314	178	1,123	90
Net sales	16,599	21,737	6,981	14,470	2,182	45,372	2,406
Sales volume of Purchased crude oil (Thousand KL)	1,260	346	346	460	343	1,496	1,390
Net sales	64,233	16,982	15,829	21,054	14,112	67,979	39,662
Sales volume of Diluted bitumen*2 (Thousand KL)	1,176	402	436	452	348	1,639	1,520
Net sales	30,116	10,689	12,696	12,288	9,351	45,025	21,191
Sales volume of Natural gas -overseas*3 (Million M3)	487	108	104	106	111	431	506
Net sales	2,384	726	403	424	710	2,265	2,762

Crude oil price (CIF) (USD/bbl)	71.94	68.77	69.55	64.72	69.47	68.11	40.00
Exchange rate (JPY/USD)	110.35	111.11	108.26	107.71	109.29	109.15	108.00
Diluted bitumen*2 (USD/bbl)	36.67	37.98	44.20	39.83	36.62	39.85	20.52
JML natural gas*4 (CAD/mcf)	1.69	2.28	1.33	1.41	2.02	1.77	1.88

*1 Include the amounts of 3 overseas subsidiaries (Japex Garraf Ltd., JAPEX Montney Ltd. and Japex (U.S.) Corp.)

*2 Royalty is excluded in the net sales and price of diluted bitumen

*3 Include the volume of 2 overseas subsidiaries (JAPEX Montney Ltd., and Japex (U.S.) Corp.)

*4 Gas sales price of JAPEX Montney Ltd. (Excl. Royalty)

1.2 Net Sales Breakdown – Infrastructure & Utility Business

Million Yen	FY3/19(a)	FY3/20(a)					FY3/21(f)
	Full year	1Q	2Q	3Q	4Q	Full year 1Q-4Q	Full year
							5.14
Sales of Infrastructure & Utility business	91,768	23,171	17,130	20,947	27,408	88,658	102,188
sales volume of Natural gas – Japan (Million M3)	1,243	267	266	323	411	1,268	1,229
Net sales	65,435	14,846	13,386	16,083	20,649	64,965	55,458
Sales volume of natural gas Produced in Japan (Million M3)	630	137	132	149	163	582	514
Sales volume of LNG (Thousand ton)	322	111	38	56	67	273	301
Net sales	22,913	7,501	2,817	4,082	4,992	19,395	18,493
Sales volume of Electricity (Million kWh)	2	1	0	0	107	110	2,763
Net sales	112	40	31	23	878	974	22,835
Others*1	3,306	782	895	757	887	3,323	5,402

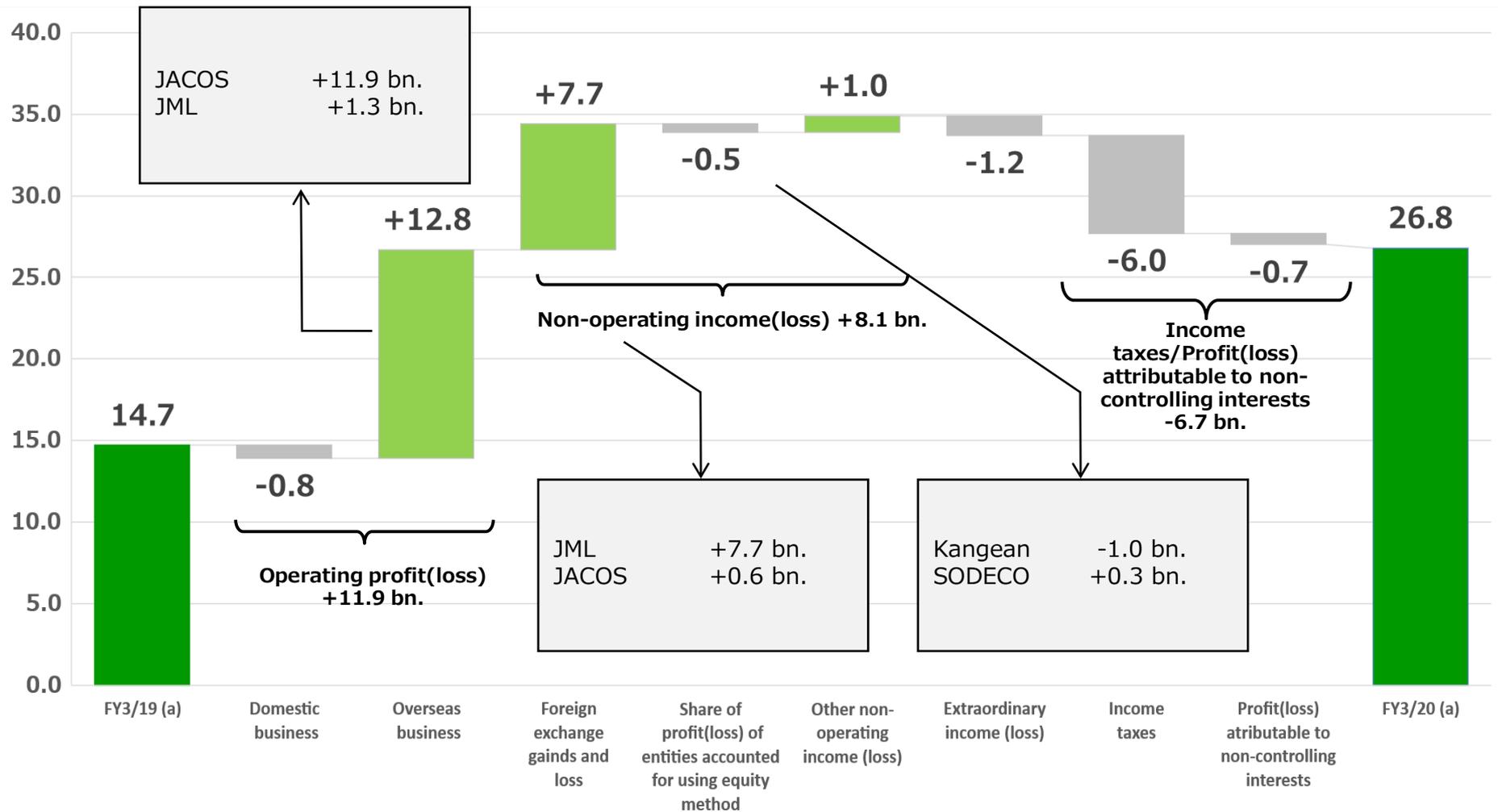
*1 Include net sales from commissioned regasification of LNG

2.1 Financial Results

	Million Yen	FY3/19(a)		FY3/20(a)				FY3/21(f)
		Full year	1Q	2Q	3Q	4Q	Full year 1Q-4Q	Full year
								5.14
Net sales		267,980	93,252	69,093	85,472	71,003	318,822	223,685
E&P Business		127,080	54,133	39,284	51,859	30,165	175,443	74,618
Infrastructure & Utility Business		91,768	23,171	17,130	20,947	27,408	88,658	102,188
Others		49,131	15,948	12,678	12,665	13,429	54,721	46,878
Cost of sales		233,133	80,812	58,432	73,417	59,118	271,780	198,689
Gross profit		34,846	12,440	10,661	12,055	11,884	47,042	24,996
Exploration expenses		788	217	140	358	176	893	988
SG&A expenses		31,743	7,605	7,407	7,893	8,957	31,864	32,230
Operating profit (loss)		2,313	4,617	3,113	3,803	2,750	14,283	-8,222
Non-operation income		10,209	4,292	1,613	2,410	10,035	18,351	6,083
Interest income		1,598	307	277	261	249	1,096	641
Interest expenses		-4,130	-1,237	-1,196	-1,052	-1,154	-4,641	-3,723
Dividend income		2,102	1,649	8	1,337	2,621	5,618	3,964
Share of profit of entities accounted for using equity method		12,550	2,390	2,015	2,391	5,163	11,960	4,848
Provision for overseas investment		358	85	85	85	85	342	342
Foreign exchange gains and loss		-5,296	1,099	384	-654	1,595	2,425	-
Other		3,027	-3	38	41	1,473	1,550	11
Ordinary profit (loss)		12,523	8,909	4,726	6,213	12,785	32,635	-2,139
Extraordinary income (loss)		550	-4	-14	-144	-568	-731	-29
Profit (loss) before income taxes		13,074	8,905	4,712	6,068	12,217	31,903	-2,168
Income taxes		-1,254	-206	1,718	1,593	1,682	4,788	1,853
Profit (loss) attributable to non-controlling interests		-441	159	-124	-10	275	299	-828
Profit (loss) attributable to owners of parent		14,770	8,951	3,118	4,486	10,258	26,815	-3,193

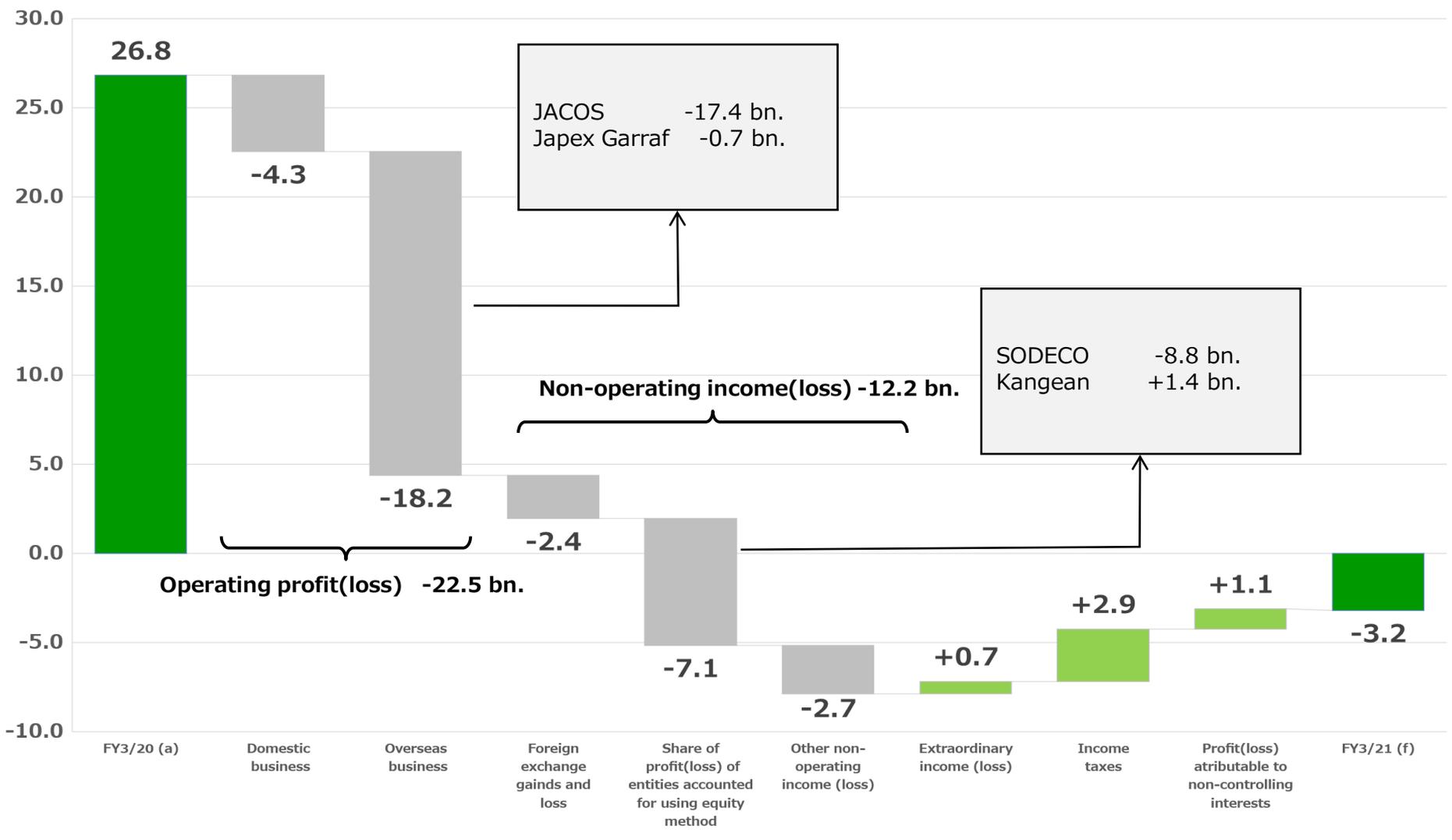
2.2 Analysis of FY3/20 Net Income Result

Billion Yen



2.3 Analysis of FY3/21 Net Income Forecasts

Billion Yen



2.4 Segment Profit

Million Yen		FY3/19(a)	FY3/20(a)				FY3/21(f)	
			Full year	1Q	2Q	3Q		4Q
Japan	Operating profit	19,308	5,623	3,564	4,605	5,041	18,834	15,026
	Share of profit of entities accounted for using equity method	165	59	22	19	51	152	617
North America	Operating profit (loss)	-9,751	1,311	1,476	1,004	-370	3,422	-14,006
	Share of loss of entities accounted for using equity method	-10	-	-	-	-	-	-
Europe	Operating loss	-157	-71	-13	-25	-54	-164	-167
	Share of profit (loss) of entities accounted for using equity method	-	-	-	-	-	-	-
Middle East	Operating profit (loss)	955	-169	235	359	187	612	-140
	Share of profit (loss) of entities accounted for using equity method	2	-1	0	-4	-3	-8	-7
Others*1	Operating profit (loss)	-7	-1	0	0	0	-1	0
	Share of profit of entities accounted for using equity method	12,392	2,331	1,993	2,376	5,115	11,816	4,237

*1 Include the Sakhalin Oil and Gas Development Co., Ltd., Energi Mega Pratama Inc., etc.

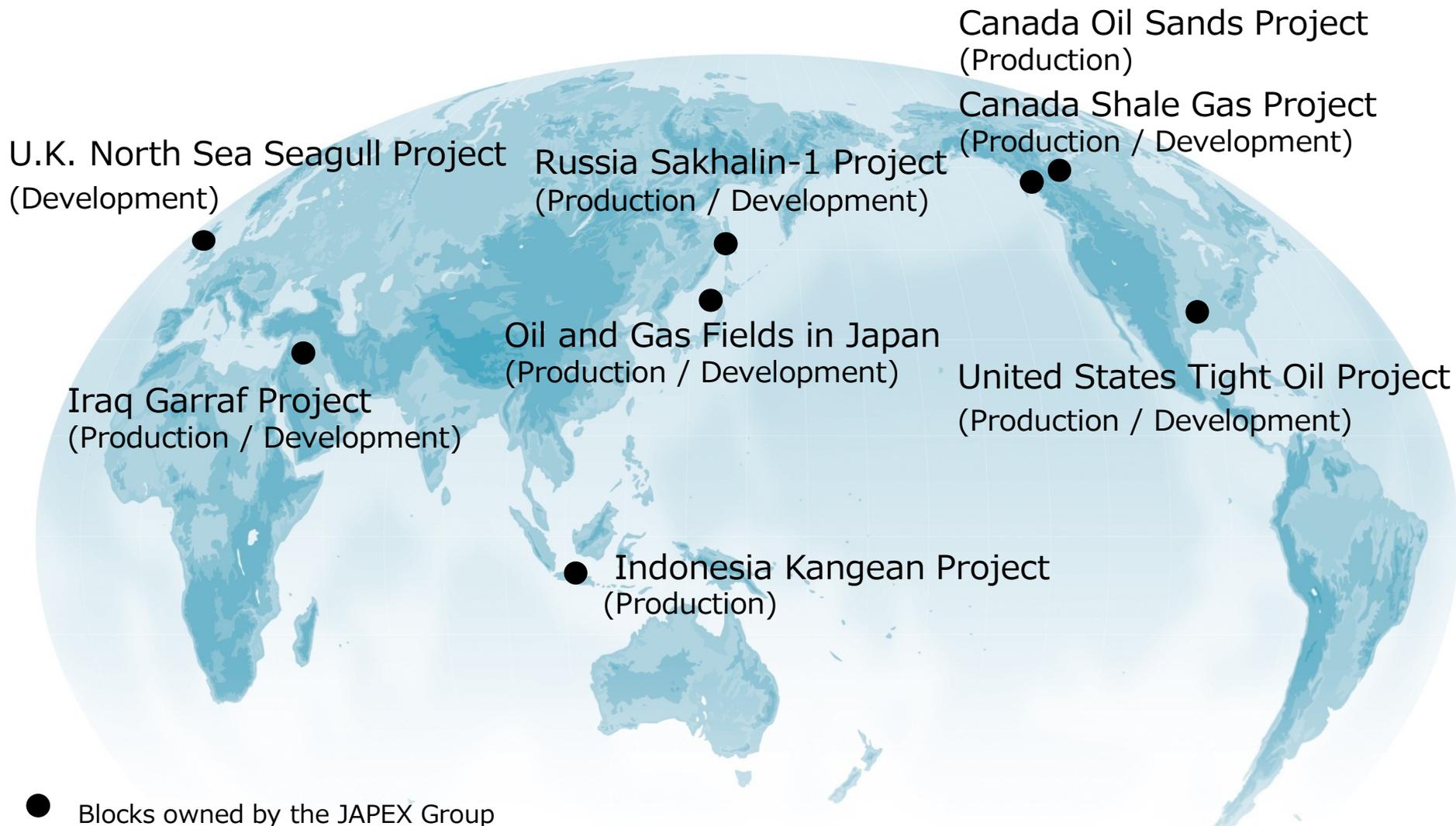
3. Cash Flows and Financial Ratio

Million Yen	FY3/19(a)		FY3/20(a)		FY3/21(f)
	Full year	1Q-2Q	Full year 1Q-4Q	Full year	
				5.14	
Cash flows from operating activities	30,970	37,061	69,895	25,462	
Depreciation	23,296	12,422	25,190	23,951	
Recoverable cost (Recovery)	11,118	26,583	41,040	-	
Cash flows from investing activities	-13,969	-11,353	-18,701	-28,375	
Purchase of property, plant and equipment	-12,955	-2,464	-7,566	-19,048	
Recoverable cost (Payments)	-25,107	-13,865	-30,226	-13,379	
Cash flows from financing activities	-15,493	-8,435	-13,743	-14,160	
Interest-bearing debt*1	151,726	-	140,848	125,112	
EBITDA*2	41,736	-	58,296	23,875	
Debt-to-EBITDA ratio	3.6	-	2.4	5.2	

*1 Interest-bearing debt includes lease obligations, retirement benefit liabilities and contingent liabilities

*2 EBITDA is the total of operating income, depreciation, interest and dividends received on investment cash flow

4. Business Base - Major Assets in Production & Development



Japan-1 E&P / Infrastructure & Utility

E&P Business - Oil and Gas Fields in Japan

- Operating 10 oil and gas fields in Japan
- Pursuing compensation of reserves and maintaining the production volume
- Pursuing additional E&P potential including national surveys

● Major projects in progress

- Development of Yufutsu Oil and Gas Field: In progress of development toward production commencement in fiscal 2020*1

I/U*2 Business – Natural Gas Supply Chain in Japan

- Transported and supplied natural gas by various methods such as pipelines, tank trucks, and tankers
- Built a network that enable supply LNG to a wider area as well as to receive and store LNG from overseas on the Pacific side of the country in addition to the Sea of Japan side

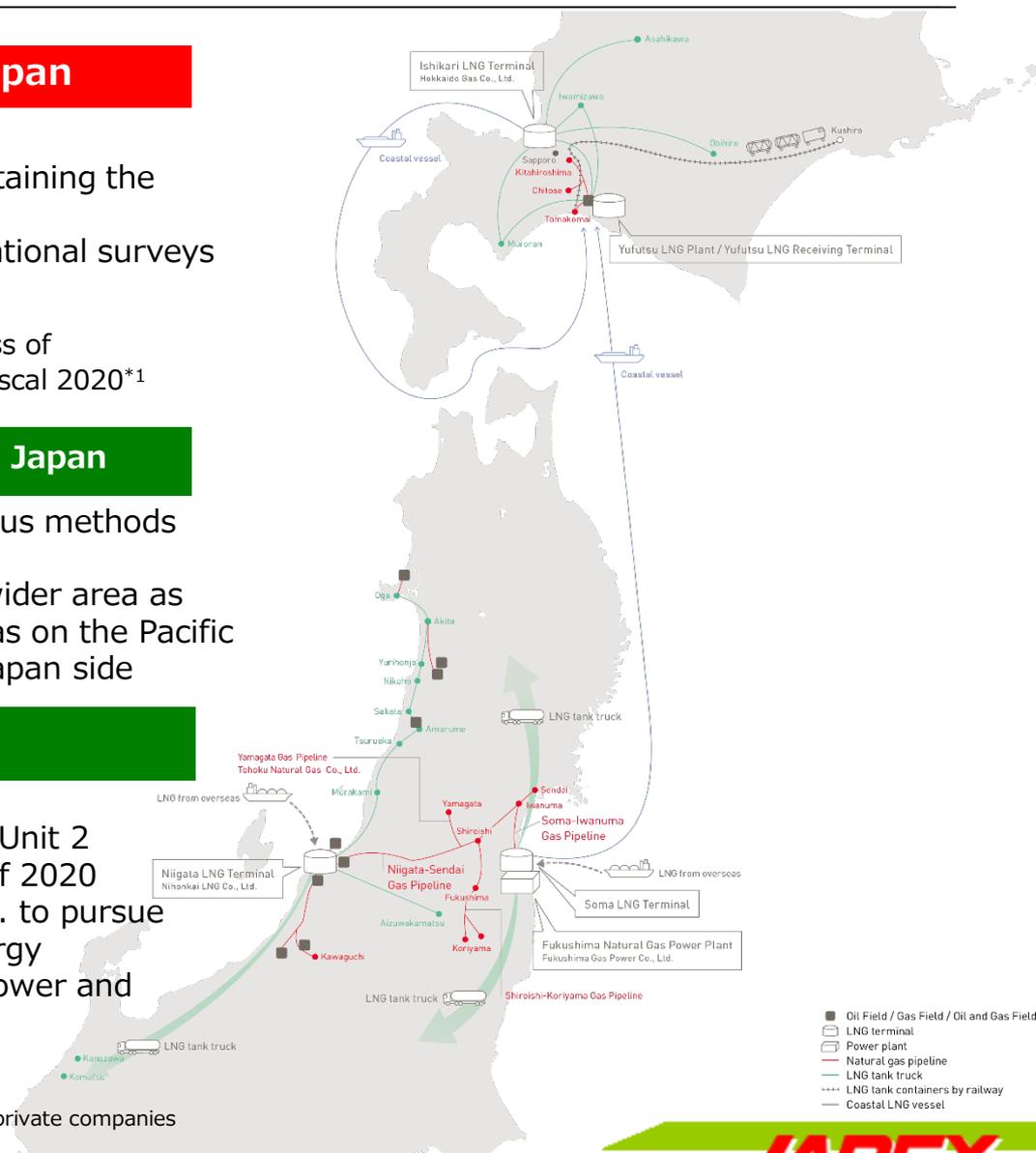
I/U Business – Electric Power · Sales

- Fukushima Natural Gas Power Plant*3 started commercial operation of Unit 1 (April 2020), Unit 2 starts commercial operation in the summer of 2020
- Established Renewable Energy Business Dept. to pursue opportunities to participate in renewable energy development in various fields such as wind power and biomass energy

*1 Timing is unforeseeable under low oil price situation

*2 I/U stands for Infrastructure/Utility

*3 Promoted by Fukushima Gas Power Co., Ltd., which is funded by five private companies including JAPEX as a business partner (JAPEX share 33%)



Japan-2 New Business Development

Developing Next-generation Technology

- Achieved a CO₂ injection target of 300,000 tons in a CCS demonstration project in the Tomakomai area implemented through Japan CCS Co., Ltd. (November 2019)
- Promoting establishment of research technology for deep-sea mineral resources such as hydrothermal deposits, and construction of industrialization model for deep sea resource development assuming rare-earth minerals, through "the Research and Development Partnership for Next-Generation Technology of Marine Research Survey (J-MARES)".
- Continuing research and development work on resource recovery technology and exploration technology related to sand layer type methane hydrate through Japan Methane Hydrate Operating Co., Ltd.

Constructing a New Business Model

- Conducted a study with public and private sectors of LNG bunkering framework based on Tomakomai Port
- Promoted the development of LNG rail transportation in overseas

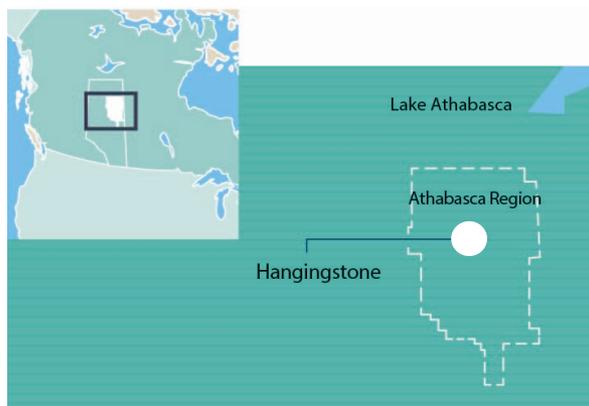
Identifying Unique Business Seeds

- Started a study to build a value chain for sustainable aviation fuel with used cooking oil as feedstock
- Conducted examination and progress confirmation of projects that solicited from across the Company or brought in from other companies

North America E&P Business

Canada Oil Sands Project

Project company	Canada Oil Sands Co., Ltd. (CANOS) JAPEX's share 94.58% Overseas subsidiary : Japan Canada Oil Sands Ltd. (JACOS)
Block	Hangingsone Leases (Operator)
Interest	75% (JAPEX net 70.935%)
Status	Production Continuing flexible operation in line with market conditions with 20,000 bbl/d level bitumen production
Gross production rate	21,000bbl/d as average of March 2020



Canada Shale Gas Project

Project company	JAPEX Montney Ltd. (JML) JAPEX's share 55%
Block	North Montney Area
Interest	10% (JAPEX net 5.5%)
Status	Production/Development Executing the development plan prioritizing the area with high economics. Working on to maximize the value and economics of the project.
Operator	Petronas Energy Canada Ltd.
Gross production rate	12,530,000M ³ /d Approx. 74,000boe/d as average of March 2020



Europe/Middle East E&P Business

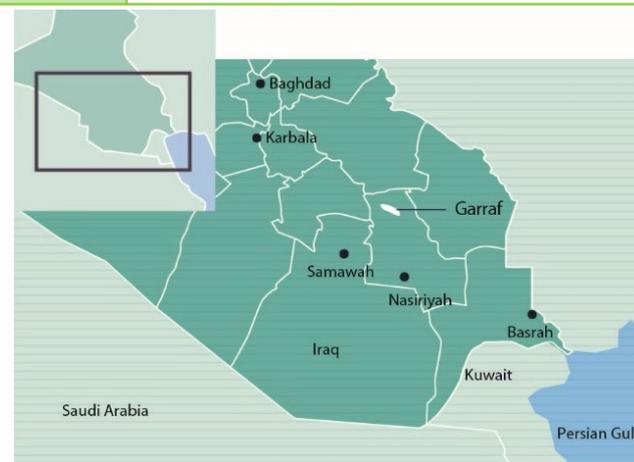
U.K. North Sea Seagull Project

Project company	JAPEX UK E&P Ltd. JAPEX's share 100%
Block	Seagull Field
Interest	15% (JAPEX Net 15%)
Status	Development Development work in progress to commencement production in 2021 (Timing of achievement is unforeseeable under the Covid-19 pandemic situation)
Operator	Neptune E&P UK Limited



Iraq Garraf Project

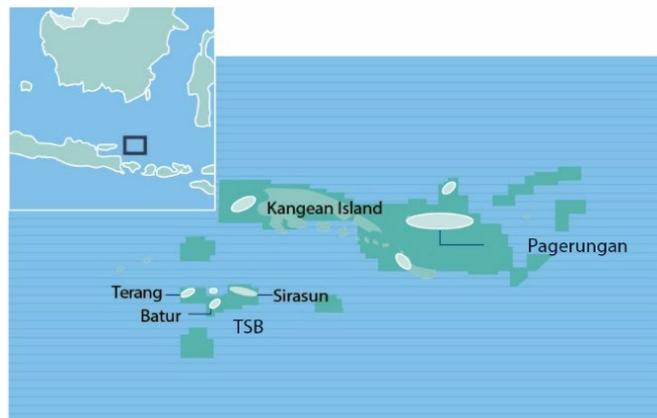
Project company	Japex Garraf Ltd. JAPEX's share 55%
Field	Garraf Oil Field
Project share	30% (JAPEX Net 16.5%)
Status	Production / Development *Plateau production target of 230,000 bbl/d (Timing of achievement of the Plateau Production Target is unforeseeable under the Covid-19 pandemic situation) *Suspended all operations since mid-March 2020
Operator	PETRONAS Carigali Iraq Holding B.V. (PCIHBV)
Gross production rate	Approx. 68,000bbl/d as average of March 2020 before suspension of production



Other Areas E&P Business

Indonesia Kangean Project

Project company	Energi Mega Pratama Inc. JAPEX's share 25% 2 other affiliates
Block	Kangean Block
Interest	100% (JAPEX net 25%)
Status	Production
Operator	Kangean Energy Indonesia Ltd.
Gross production rate	5,300,000M ³ /d Approx. 32,000boe/d as average of March 2020



Russia Sakhalin-1 Project

Project company	Sakhalin Oil and Gas Development Co., Ltd. (SODECO) JAPEX's share 15.29%
Block	Chayvo, Odoptu and Arkutun-Dagi Fields
Interest	30% (JAPEX net 4.59%)
Status	Development/ Production
Operator	Exxon Neftegas Ltd.



Cautionary Statement

This document contains future outlooks such as plans, forecasts, strategies, and others which are not historical fact and these are made by the management's judgement based on the obtainable information at the time of the disclosure. Actual results may significantly differ from those future outlooks due to various factors.

This document is not intended to invite investment.

Copyright : All information contained herein is protected by copyright, and may not be copied or reproduced without prior consent of JAPEX.

Note: Abbreviations used herein are as follows:

(a) = Actual results

(f) = Forecasts

FY = Fiscal Year (FY3/20, for instance, means 12 months ended March 31, 2020)

Any inquiries about the information contained herein or other Investor Relations questions are requested to be directed to:

Investor Relations Group, Media & Investor Relations Dept.

Japan Petroleum Exploration Co., Ltd. (JAPEX)

Tokyo, JAPAN

TEL: +81-3-6268-7111