



[Explanatory Material]

Financial Results

for the Three Months Ended June 30, 2023

August 9, 2023

Japan Petroleum Exploration Co., Ltd.

Note: This document has been translated from the Japanese original for reference purposes only.

In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

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III . Revised Financial Forecasts for the fiscal year ending March 31, 2024

Note: This material also serves as the presentation material for the financial results briefing for the institutional investors and analysts to be held on August 10, 2023.

I . Financial Highlights

II . Financial Results for the Three Months Ended June 30, 2023

III . Revised Financial Forecasts for the fiscal year ending March 31, 2024

Financial Highlights

1Q FY3/24 Results (Year-on-year)

(Billion Yen)	1Q FY 3/23 (a)	1Q FY 3/24 (a)	Change
Operating profit	9.8	12.9	+3.0
Ordinary profit	22.6	18.2	(4.3)
Profit attributable to owners of parent	15.6	12.9	(2.6)

- **Operating profit** : Increase in sales price of natural gas (Japan) and increase in sales volume of tight oil development in U.S., etc.
- **Ordinary profit** : Decrease in equity in earnings of affiliates and foreign exchange gains

Dividend Policy

- **FY3/24 annual dividend (forecast)** : 200.0 yen per share (interim 100 yen + year-end 100 yen), unchanged from the previous forecast ※Based on shareholder return policy of 30% dividend payout ratio

Business Progress

- Capital participation in a subsidiary of U.K.-based Longboat Energy PLC (Longboat JAPEX Norge AS : LBJ) which promotes exploration and development in offshore Norway (May)
- Agreed to acquire additional well interests in tight oil development project in U.S. (May)
- CCS Studies in Tomakomai Area and East-Niigata Area were commissioned as the "Business Feasibility Study on Japanese Advanced CCS Project" by JOGMEC in FY2023 (Jul and Aug)

FY3/24 Forecast Revision (vs. May 12 Forecasts)

(Billion Yen)	May 12, 2023 (f)	Aug 9, 2023 (f)	Change
Operating profit	41.2	38.9	(2.3)
Ordinary profit	45.5	44.8	(0.7)
Profit attributable to owners of parent	34.0	34.0	-

- **Operating profit** : Expect decrease in sales volume due to delay in the start of production at the Seagull project in U.K. North Sea
- **Ordinary profit** : Expect record of foreign exchange gains

I . Financial Highlights

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III . Revised Financial Forecasts for the fiscal year ending March 31, 2024

FY3/24 Results (Year-on-Year)

Million Yen	1Q FY3/23 (a)	1Q FY3/24 (a)	Change	
Net sales	58,617	61,321	+2,704	+5%
Gross profit	16,696	20,508	+3,812	+23%
Operating profit	9,810	12,903	+3,093	+32%
Ordinary profit	22,600	18,219	(4,381)	(19%)
Profit attributable to owners of parent	15,640	12,999	(2,640)	(17%)

Oil Price and Exchange Rate

		1Q FY3/23 (a)	1Q FY3/24 (a)	Change
WTI	USD/bbl	94.41	76.11	(18.30)
Crude oil price (CIF)	USD/bbl	101.55	85.17	(16.38)
Exchange rate	JPY/USD	122.50	134.36	+11.86

E&P Business Sales (Year-on-Year)

Net sales : Million Yen	Unit	1Q FY3/23 (a)		1Q FY3/24 (a)		Change			
		Sales volume	Net sales	Sales volume	Net sales	Sales volume		Net sales	
E&P Business	-	-	7,266	-	10,724	-	-	+3,458	+48%

Breakdown

Crude oil	Thousand KL	79	7,251	152	10,608	+73	+93%	+3,356	+46%	
Crude oil - Japan		67	5,640	50	3,700	[1]	(16)	(25%)	(1,939)	(34%)
Crude oil - Overseas* ¹		7	1,192	97	6,532	[2]	+90	+1,291%	+5,339	+448%
Purchased crude oil		5	418	5	375	(0)	(2%)	(43)	(10%)	
Natural Gas - Overseas* ²	Million M3	0	14	10	116	+9	+1,312%	+101	+701%	

Main factors for change

[1] Decrease in sales price and sales volume

[2] Increase in sales volume of tight oil development in U.S.

*1 Include the amounts of Japex Garraf Ltd., and Japex (U.S.) Corp.

*2 Include the amounts of Japex (U.S.) Corp.

I/U Business Sales (Year-on-Year)

Net sales : Million Yen	Unit	1Q FY3/23 (a)		1Q FY3/24 (a)		Change			
		Sales volume	Net sales	Sales volume	Net sales	Sales volume		Net sales	
Infrastructure & Utility Business	-	-	36,009	-	36,398	-	-	+388	+1%

Breakdown

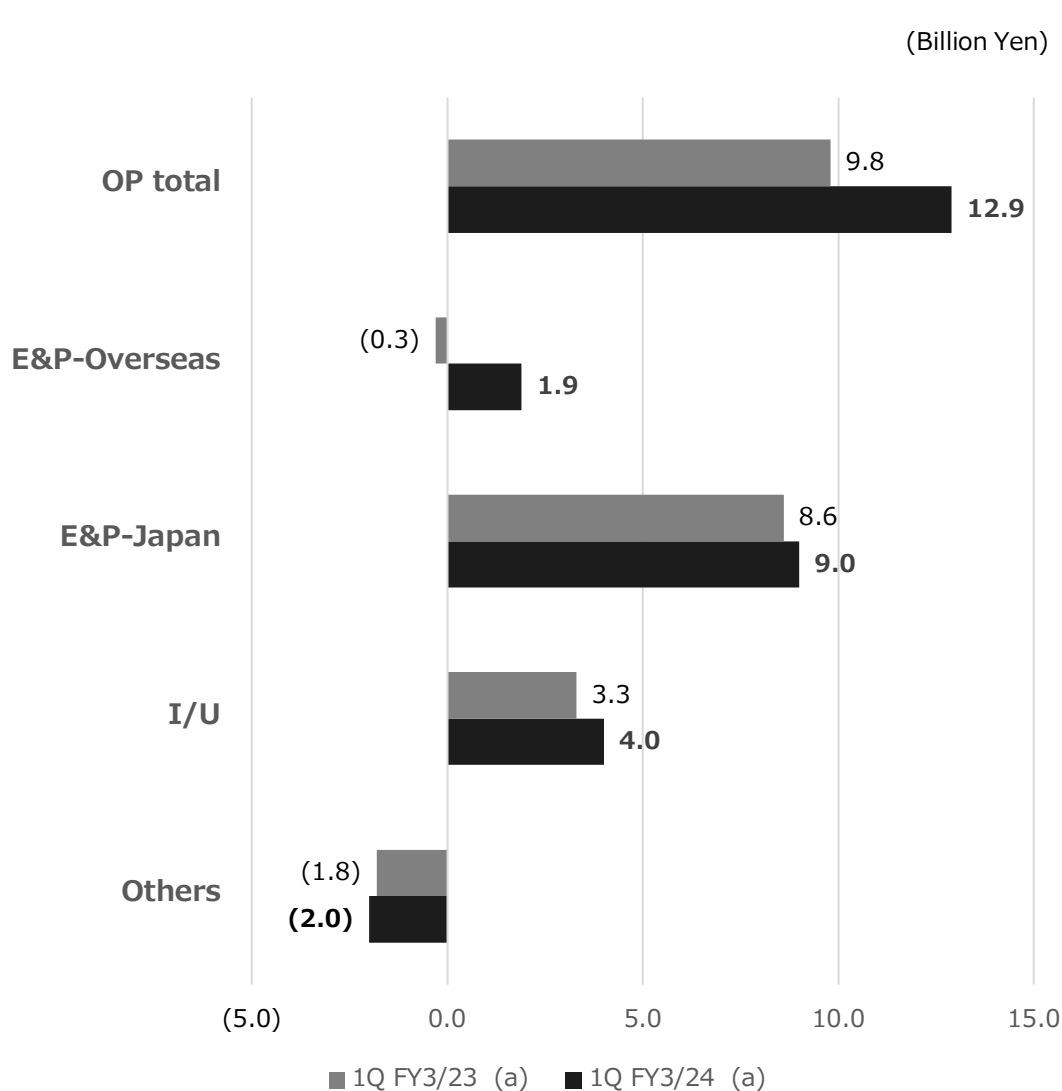
Natural Gas - Japan	Million M3	231	17,923	202	20,200	(29)	(13%)	[1]	+2,277	+13%
- Produced in Japan		109	-	102	-	(7)	(7%)	-	-	
LNG	Thousand Ton	49	6,062	30	1,498	[2]	(18)	(37%)	(4,563)	(75%)
Electricity	Million kWh	665	10,986	774	13,137	[3]	+108	+16%	+2,150	+20%
Other*	-	-	1,037	-	1,561	-	-	+524	+51%	

Main factors for change

- [1] Increase in sales price of natural gas (Japan)
- [2] Decrease in sales volume etc.
- [3] Increase in sales price and sales volume

* Including net sales from commissioned business including transport of natural gas and regasification of LNG

Operating Profit (Year-on-Year)



E&P Business

Overseas : +2.2 bn. (0.3 bn.) → 1.9 bn.

- Increase in sales volume of tight oil development in U.S. (+)

Domestic : +0.3 bn. 8.6 bn. → 9.0 bn.

- Decrease in sales volume and sales price of crude oil (Japan) (-)
- Increase in sales price* of natural gas (Japan) (+)

* Internal transaction price from E&P Business to Infrastructure/Utilities Business for the internal management

I/U Business

+0.6 bn. 3.3 bn. → 4.0 bn.

- Decrease in marginal gain on LNG procurement (-)
- Effect of raw material slide time lag, etc. (+)

Others *

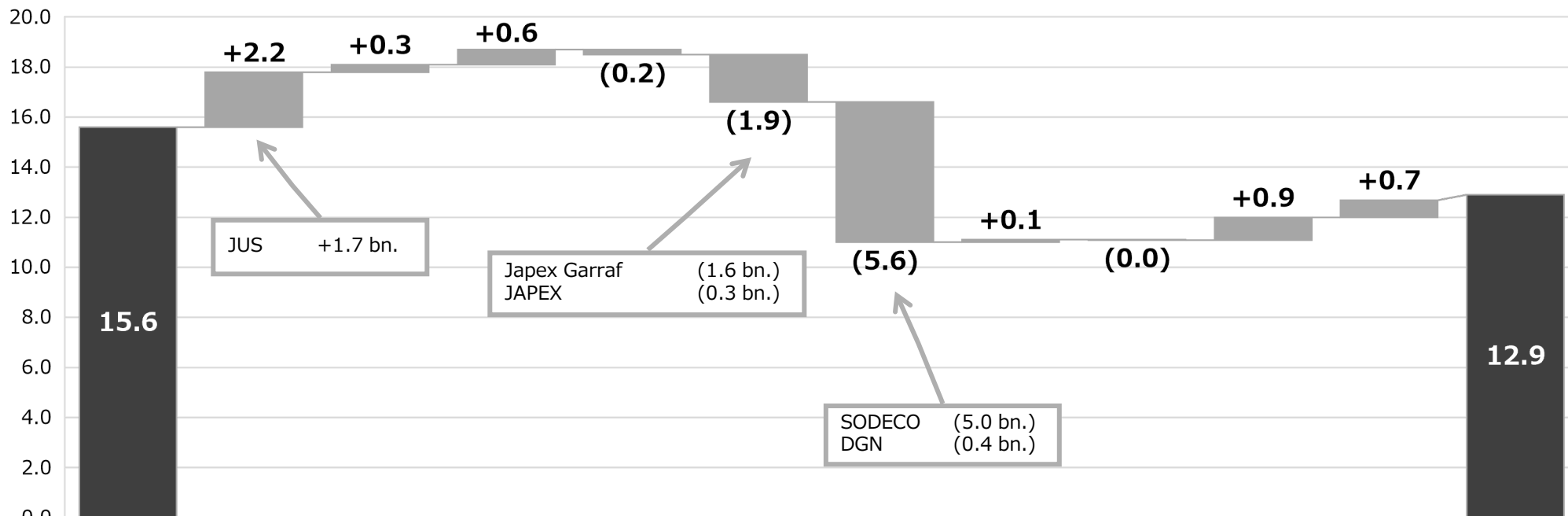
(0.2 bn.) (1.8 bn.) → (2.0 bn.)

* Operating profit (contracting, oil products and commodities, and others) not belonging to the above business units, less headquarters administrative expenses

Note) The amounts in the operating profit breakdown by business segment are the figures for the Group's internal management

Analysis of Net Income change (Year-on-Year)

(Billion Yen)



Net income	Operating profit* +3.0 bn.					Non-operating income (7.4 bn.)					Net income
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FY3/23 1Q (a)	E&P overseas	E&P Japan	I/U	Others	Foreign exchange gains and loss	Equity on earnings	Others	Extraordinary income	Income taxes	Profit attributable to non- controlling interest	FY3/24 1Q (a)
FY3/23 1Q (a)	(0.3)	8.6	3.3	(1.8)	6.7	5.9	0.0	(0.0)	5.3	1.6	
FY3/24 1Q (a)	1.9	9.0	4.0	(2.0)	4.7	0.3	0.2	(0.0)	4.3	0.8	

Note) The amounts in the operating profit breakdown by business segment are the figures for the Group's internal management

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FY3/24 Forecasts (vs Initial Forecasts)

Million Yen	Initial (f) May 12, 2023	Revised (f) Aug. 9, 2023	Change	
Net sales	300,600	306,100	+5,500	+2%
Gross profit	75,300	74,200	(1,100)	(1%)
Operating profit	41,200	38,900	(2,300)	(6%)
Ordinary profit	45,500	44,800	(700)	(2%)
Profit attributable to owners of parent	34,000	34,000	-	-%

Oil Price and Exchange Rate

		Initial (f) May 12, 2023	Revised (f) Aug. 9, 2023	Change
WTI	USD/bbl	75.00	75.60	+0.60
Crude oil price (CIF)	USD/bbl	75.00	77.45	+2.45
Exchange rate	JPY/USD	125.00	131.16	+6.16

E&P Business Sales Forecasts (vs Initial Forecasts)

Net sales : Million Yen	Unit	Initial (f) May 12, 2023		Revised (f) Aug. 9, 2023		Change			
		Sales volume	Net sales	Sales volume	Net sales	Sales volume		Net sales	
E&P Business	-	-	91,724	-	93,514	-	-	+1,789	+2%

Breakdown

Crude oil	Thousand KL	1,589	88,964	1,591	91,549	+2	+0%	+2,584	+3%
Crude oil - Japan		206	12,410	206	13,255	(0)	(0%)	[1] +845	+7%
Crude oil - overseas* ¹		1,364	75,431	1,367	77,110	[2] +3	+0%	+1,678	+2%
Purchased crude oil		18	1,122	17	1,183	(0)	(4%)	+60	+5%
Natural Gas - Overseas* ²	Million M3	95	2,760	86	1,965	[3] (8)	(9%)	(794)	(29%)

Main factors for change

[1] Increase in sales price

[2] Decrease in sales volume due to delay in the start of production at the Seagull project in U.K. North Sea / Increase in sales volume of crude oil from Garraf Project in Iraq

[3] Decrease in sales volume due to delay in the start of production at the Seagull project in U.K. North Sea

I/U Business Sales Forecasts (vs Initial Forecasts)

Net sales : Million Yen	Unit	Initial (f) May 12, 2023		Revised (f) Aug. 9, 2023		Change			
		Sales volume	Net sales	Sales volume	Net sales	Sales volume	Net sales		
Infrastructure & Utility Business	-	-	147,305	-	150,567	-	-	+3,262	+2%

Breakdown

Natural Gas - Japan	Million M3	996	77,288	976	78,775	(19)	(2%)	[1] +1,487	+2%
- Produced in Japan		470	-	459	-	(11)	(2%)	-	-
LNG	Thousand Ton	223	19,738	218	19,291	(4)	(2%)	(446)	(2%)
Electricity	Million kWh	3,021	43,445	3,137	46,126	[2] +115	+4%	+2,681	+6%
Others*	-	-	6,833	-	6,373	-	-	(460)	(7%)

Main factors for change

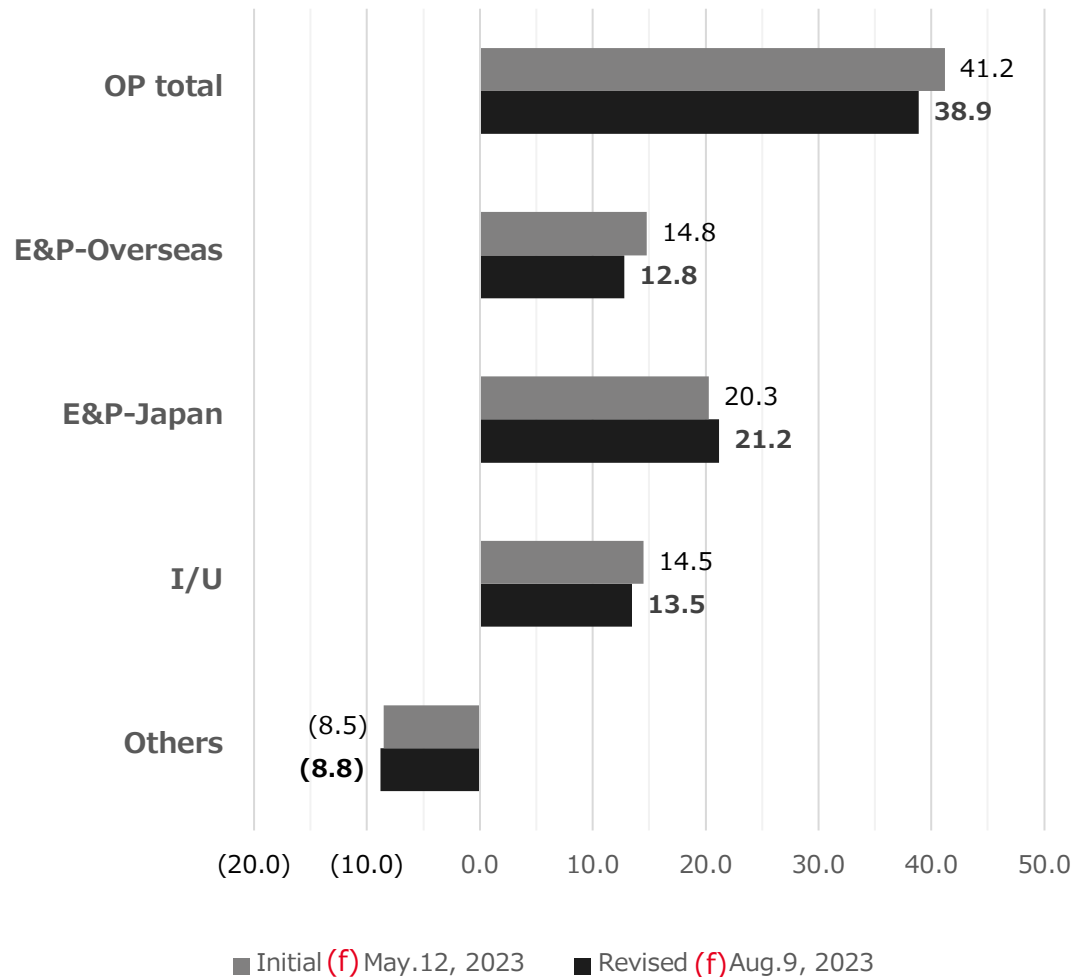
[1] Increase in sales price

[2] Increase in sales volume and sales price

* Including net sales from commissioned business including transport of natural gas and regasification of LNG

Operating Profit Forecasts (vs Initial Forecasts)

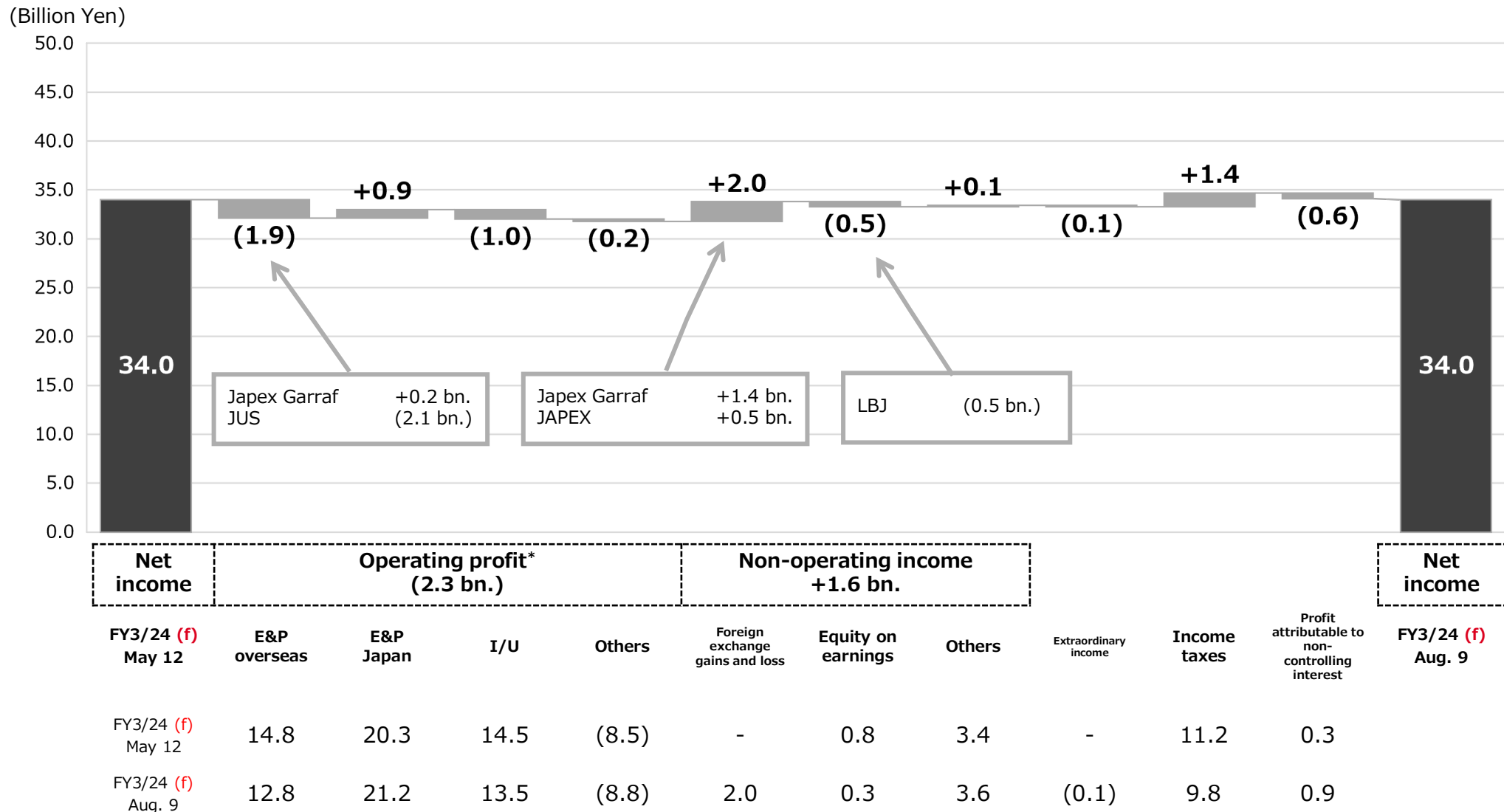
(Billion Yen)



E&P Business	
Overseas : (1.9 bn.)	14.8 bn. → 12.8 bn.
<ul style="list-style-type: none"> Decrease in sales volume due to delay in the start of production at the Seagull project in U.K. North Sea (–) 	
Domestic : +0.9 bn.	20.3 bn. → 21.2 bn.
<ul style="list-style-type: none"> Increase in sales price of crude oil (Japan) due to a rise of crude oil prices (+) 	
* Internal transaction price from E&P Business to Infrastructure/Utilities Business for the internal management	
I/U Business	
(1.0 bn.)	14.5 bn. → 13.5 bn.
<ul style="list-style-type: none"> Decrease in marginal gain on LNG procurement (–) 	
Others*	
(0.2 bn.)	(8.5 bn.) → (8.8 bn.)
* Operating profit (contracting, oil products and commodities, and others) not belonging to the above business units, less headquarters administrative expenses	

Note) The amounts in the operating profit breakdown by business segment are the figures for the Group's internal management

Analysis of Change in Net Income Forecasts (vs Initial Forecasts)



Note) The amounts in the operating profit breakdown by business segment are the figures for the Group's internal management

FY3/24 Forecasts (Year-on-Year)

Million Yen	FY3/23 (a)	FY3/24 Revised (f)	Change	
Net sales	336,492	306,100	(30,392)	(9%)
Gross profit	96,111	74,200	(21,911)	(23%)
Operating profit	62,085	38,900	(23,185)	(37%)
Ordinary profit	83,130	44,800	(38,330)	(46%)
Profit attributable to owners of parent	67,394	34,000	(33,394)	(50%)

Oil Price and Exchange Rate

		FY3/23 (a)	FY3/24 Revised (f)	Change
WTI	USD/bbl	94.42	75.60	(18.82)
Crude oil price (CIF)	USD/bbl	102.26	77.45	(24.81)
Exchange rate	JPY/USD	132.86	131.16	(1.70)

E&P Business Sales Forecasts (Year-on-Year)

Net sales : Million Yen	Unit	FY3/23 (a)		FY3/24 Revised (f)		Change			
		Sales volume	Net sales	Sales volume	Net sales	Sales volume		Net sales	
E&P Business	-	-	56,063	-	93,514	-	-	37,451	+67%

Breakdown

Crude oil	Thousand KL	695	55,703	1,591	91,549	+895	+129%	+35,846	+64%
Crude oil - Japan		238	20,760	206	13,255	[1] (31)	(13%)	(7,504)	(36%)
Crude oil - overseas* ¹		436	33,084	1,367	77,110	[2] +930	+213%	+44,025	+133%
Purchased crude oil		20	1,858	17	1,183	(3)	(16%)	(674)	(36%)
Natural Gas - Overseas* ²	Million M3	11	360	86	1,965	[3] +75	+655%	+1,604	+445%

Main factors for change

[1] Decrease in sales volume and sales price

[2] Increase in sales volume of tight oil development in U.S. and Garraf Project in Iraq. Increase in sales volume due to the scheduled start of production at the Seagull project in U.K. North Sea

[3] Increase in sales volume of tight oil development in U.S. Increase in sales volume due to the scheduled start of production at the Seagull project in U.K. North Sea

*1 FY3/23 includes the amounts of Japex Garraf Ltd. and Japex (U.S.) Corp. and FY3/24 includes the amounts of Japex Garraf Ltd., Japex (U.S.) Corp. and JAPEX UK E&P Ltd.

*2 FY3/23 include the amounts of Japex (U.S.) Corp. and FY3/24 includes the amounts of Japex (U.S.) Corp. and JAPEX UK E&P Ltd.

I/U Business Sales Forecasts (Year-on-Year)

Net sales : Million Yen	Unit	FY3/23 (a)		FY3/24 Revised (f)		Change			
		Sales volume	Net sales	Sales volume	Net sales	Sales volume	Net sales		
Infrastructure & Utility Business	-	-	213,657	-	150,567	-	-	(63,090)	(30%)

Breakdown

Natural Gas - Japan	Million M3	989	97,360	976	78,775	(12)	(1%)	[1] (18,584)	(19%)
- Produced in Japan		461	-	459	-	(2)	(0%)	-	-
LNG	Thousand Ton	340	51,572	218	19,291	[2] (121)	(36%)	(32,281)	(63%)
Electricity	Million kWh	3,005	58,735	3,137	46,126	+131	+4%	[3] (12,608)	(21%)
Others*	-	-	5,988	-	6,373	-	-	+384	+6%

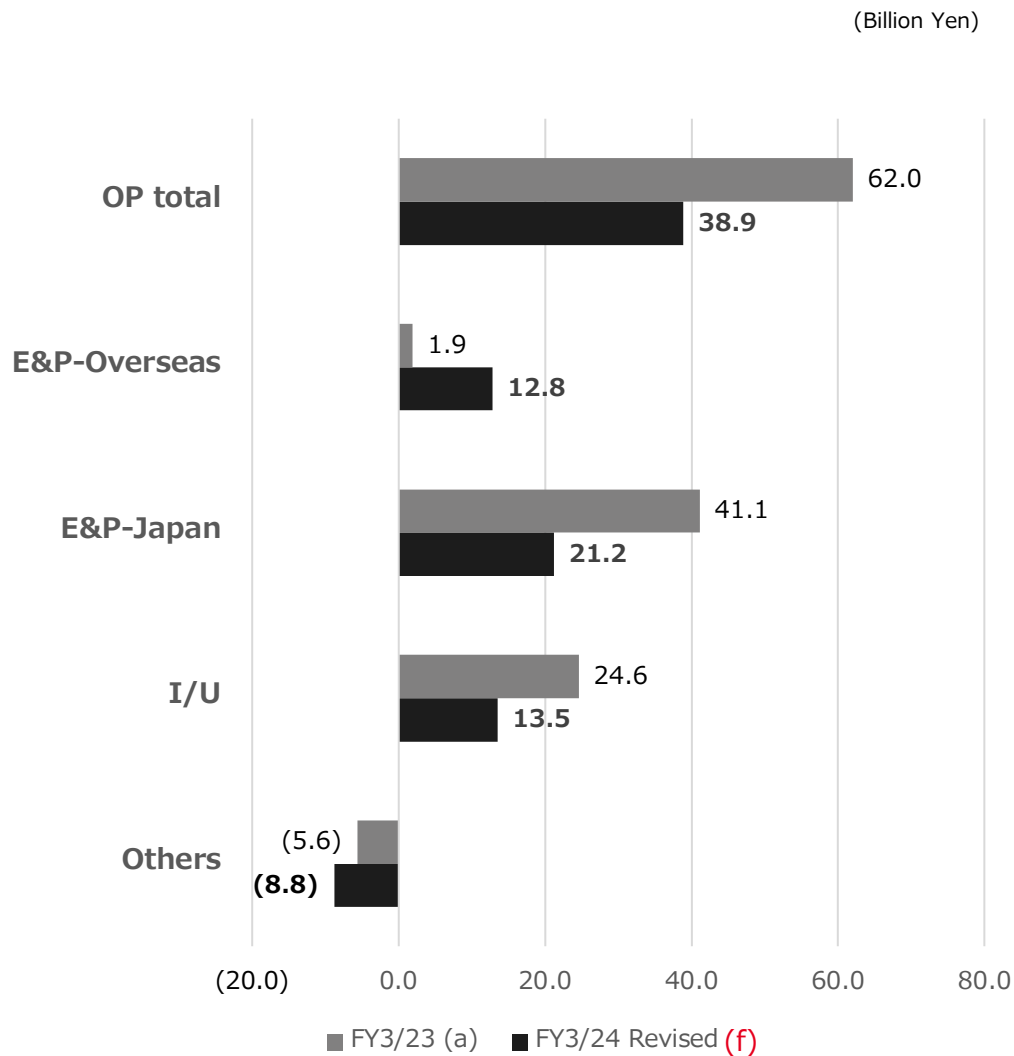
Main factors for change

[1]-[2] Decrease in sales price of natural gas (Japan) and LNG due to decrease of JLC price ,and decrease in sales volume of LNG

[3] Decrease in sales price of electricity

* Including net sales from commissioned business including transport of natural gas and regasification of LNG

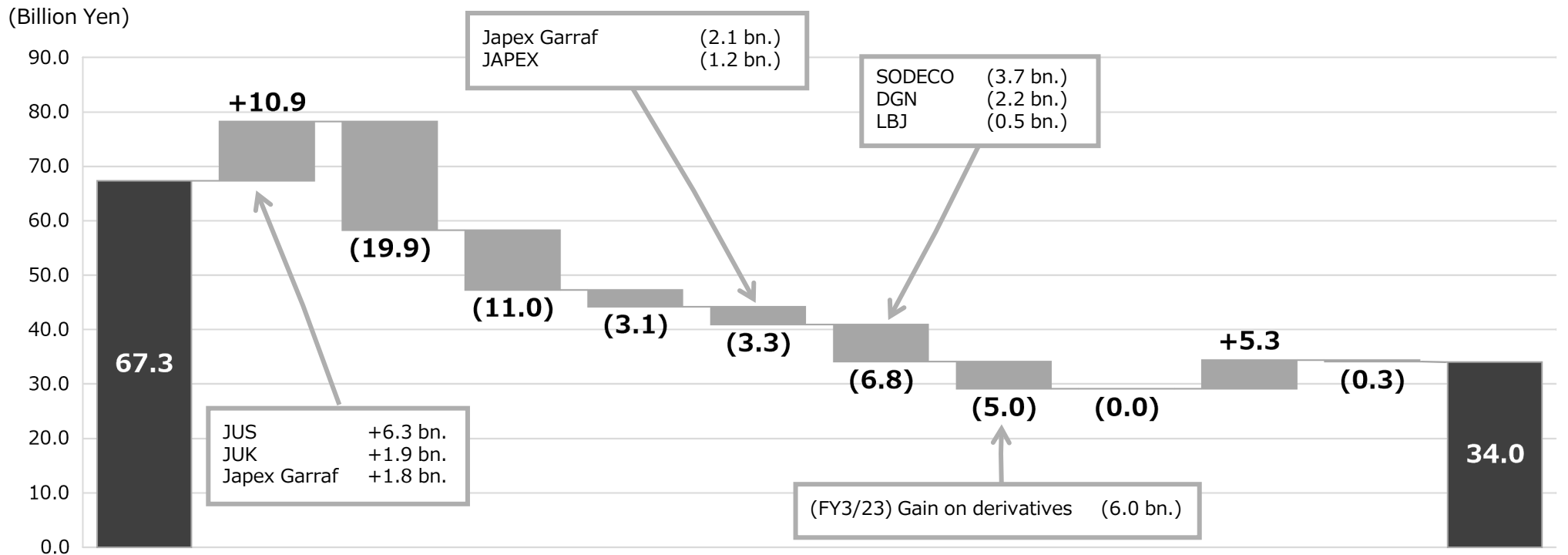
Operating Profit Forecasts (Year-on-Year)



E&P Business	
Overseas	+10.9 bn. 1.9 bn. → 12.8 bn.
	<ul style="list-style-type: none"> • Increase in sales volume of tight oil development in U.S. (+) • Increase in sales volume of crude oil due to the scheduled start of production at the Seagull Project in U.K. North Sea (+) • Absence of one-time expenses from Japex Garraf Ltd. (+)
Domestic	(19.9 bn.) 41.1 bn. → 21.2 bn.
	<ul style="list-style-type: none"> • Decrease in sales volume and sales price of crude oil (Japan) (-) • Decrease in sales price* of natural gas (Japan) due to decrease of JLC price (-)
* Internal transaction price from E&P Business to Infrastructure/Utilities Business for the internal management	
I/U Business	
	(11.0 bn.) 24.6 bn. → 13.5 bn.
	<ul style="list-style-type: none"> • Decrease in margin on LNG procurement (-)
Others*	
	(3.1 bn.) (5.6 bn.) → (8.8 bn.)
	<ul style="list-style-type: none"> • Increase in general and administrative expenses (Personnel and digital-related expenditures) (-) • Decrease in profit of contract services and others at subsidiaries (-)
* Operating profit (contracting, oil products and commodities, and others) not belonging to the above business units, less headquarters administrative expenses	

Note) The amounts in the operating profit breakdown by business segment are the figures for the Group's internal management

Analysis of Change in Net Income Forecasts (Year-on-Year)



FY3/23 (a)	Operating profit* (23.1 bn.)				Non-operating income (15.1 bn.)				Extraordinary income	Income taxes	Profit attributable to non-controlling interest	FY3/24 Revised (f)
	Net income	E&P overseas	E&P Japan	I/U	Others	Foreign exchange gains and loss	Equity on earnings	Others				
FY3/23 (a)	67.3	1.9	41.1	24.6	(5.6)	5.3	7.1	8.6	(0.0)	15.1	0.5	
FY3/24 Revised (f)	34.0	12.8	21.2	13.5	(8.8)	2.0	0.3	3.6	(0.1)	9.8	0.9	

Note) The amounts in the operating profit breakdown by business segment are the figures for the Group's internal management

Cash Flows and Debt

	Million Yen	FY3/24 (f)		
		FY3/23 (a)	Full year	
			May 12	Aug.9
Cash flows from operating activities		104,581	98,293	84,655
Profit before income taxes		83,084	45,500	44,700
Depreciation		14,257	27,788	26,587
Recovery of recoverable accounts		18,295	38,482	41,581
Cash flows from investing activities		(52,723)	(87,422)	(116,539)
Purchase of property, plant and equipment		(35,973)	(54,433)	(84,136)
Payments of recoverable accounts		(27,729)	(39,756)	(33,538)
Cash flows from financing activities		(14,506)	(18,417)	(19,145)
Cash and cash equivalents at end of period		186,166	178,619	135,137

Interest-bearing debt* ¹		10,413	10,149	10,149
EBITDA* ²		85,316	77,392	74,177
Debt-to-EBITDA ratio		0.1	0.1	0.1

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

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

Appendix

- 1. Net Sales**
- 2. Financial Results**
- 3. Segment Profit**
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- 5. Sensitivities Analysis on FY3/24 Forecasts Basis**
- 6. Business Overview**
- 7. Integrated Report and IR Materials**
- 8. Glossary**

1. Net Sales - E&P

	Million Yen	FY3/23 (a)		FY3/24		
		1Q	Full year	1Q	Full year (f)	
					May 12	Aug. 9
Sales		7,266	56,063	10,724	91,724	93,514
Sales volume of Crude oil (Thousand KL)		79	695	152	1,589	1,591
Net sales		7,251	55,703	10,608	88,964	91,549
Sales volume of Crude oil - Japan (Thousand KL)		67	238	50	206	206
Net sales		5,640	20,760	3,700	12,410	13,255
Sales volume of Crude oil - overseas *1 (Thousand KL)		7	436	97	1,364	1,367
Net sales		1,192	33,084	6,532	75,431	77,110
Sales volume of Purchased crude oil (Thousand KL)		5	20	5	18	17
Net sales		418	1,858	375	1,122	1,183
Sales volume of Natural gas -overseas *2 (Million M3)		0	11	10	95	86
Net sales		14	360	116	2,760	1,965
WTI (USD/bbl)		94.41	94.42	76.11	75.00	75.60
Crude oil price (CIF) (USD/bbl) *3		101.55	102.26	85.17	75.00	77.45

*1 FY3/23 includes the amounts of Japex Garraf Ltd. and Japex (U.S.) Corp. and FY3/24 includes the amounts of Japex Garraf Ltd., Japex (U.S.) Corp. and JAPEX UK E&P Ltd.

*2 FY3/23 include the amount of Japex (U.S.) Corp. and FY3/24 includes the amount of Japex (U.S.) Corp. and JAPEX UK E&P Ltd.

*3 Domestic sales price average of crude oil referring to crude oil price (CIF)

1. Net Sales - I/U

	Million Yen	FY3/23 (a)		FY3/24		
		1Q	Full year	1Q	Full year (f)	
					May 12	Aug. 9
Sales		36,009	213,657	36,398	147,305	150,567
Sales volume of Natural gas – Japan (Million M3)		231	989	202	996	976
Net sales		17,923	97,360	20,200	77,288	78,775
Sales volume of Natural gas produced in Japan (Million M3)		109	461	102	470	459
Sales volume of LNG (Thousand ton)		49	340	30	223	218
Net sales		6,062	51,572	1,498	19,738	19,291
Sales volume of Electricity (Million kWh)		665	3,005	774	3,021	3,137
Net sales		10,986	58,735	13,137	43,445	46,126
Others*		1,037	5,988	1,561	6,833	6,373
JLC Price (JPY / ton)		101,863	126,286	88,287	77,300	80,422

* Including net sales from commissioned business including transport of natural gas and regasification of LNG

2. Financial Results

	Million Yen	FY3/23 (a)		FY3/24		
		1Q	Full year	1Q	Full year (f)	
					May 12	Aug. 9
Net sales		58,617	336,492	61,321	300,600	306,100
E&P Business		7,266	56,063	10,724	91,724	93,514
Infrastructure/Utility Business		36,009	213,657	36,398	147,305	150,567
Others		15,341	66,771	14,199	61,570	62,018
Cost of sales		41,920	240,380	40,812	225,300	231,900
Gross profit		16,696	96,111	20,508	75,300	74,200
Exploration expenses		97	2,885	255	4,700	4,800
SG&A expenses		6,788	31,139	7,349	29,400	30,500
Operating profit		9,810	62,085	12,903	41,200	38,900
Non-operation income (expense)		12,789	21,044	5,315	4,300	5,900
Interest income		149	1,173	520	627	900
Interest expenses		(1)	(5)	(24)	(363)	(1,100)
Dividend income		47	3,520	57	3,719	3,600
Share of profit of entities accounted for using equity method		5,988	7,109	338	859	300
Provision for overseas investment		-	(44)	(15)	(120)	(100)
Foreign exchange gains and loss		6,748	5,332	4,764	-	2,000
Other		(142)	3,958	(325)	(422)	300
Ordinary profit		22,600	83,130	18,219	45,500	44,800
Extraordinary income (loss)		(1)	(46)	(9)	0	(100)
Profit before income taxes		22,598	83,084	18,209	45,500	44,700
Income taxes		5,304	15,102	4,335	11,200	9,800
Profit attributable to non-controlling interests		1,653	587	874	300	900
Profit (loss) attributable to owners of parent		15,640	67,394	12,999	34,000	34,000

3. Segment Profit

		Million Yen		FY3/23 (a)		FY3/24 (f)	
		1Q	Full year	1Q	Full year		
					May 12	Aug. 9	
Japan	Operating profit (loss)	11,472	68,855	13,732	38,031	38,157	
	Share of profit (loss) of entities accounted for using equity method	291	326	136	319	291	
North America	Operating profit (loss)	227	4,210	1,952	10,474	10,543	
	Share of profit of entities accounted for using equity method	-	-	-	-	-	
Europe	Operating profit (loss)	(33)	(170)	(111)	4,007	1,823	
	Share of profit of entities accounted for using equity method	-	-	-	-	(497)	
Middle East	Operating profit (loss)	522	(112)	447	1,478	1,741	
	Share of loss of entities accounted for using equity method	(3)	(11)	(1)	(7)	(5)	
Others*1	Operating profit (loss)	-	-	-	-	-	
	Share of profit of entities accounted for using equity method	5,699	6,793	202	547	510	
Adjustments and Eliminations*2		(2,378)	(10,697)	(3,118)	(12,792)	(13,366)	
Amounts on consolidated statement of income*3		Operating profit (loss)	9,810	62,085	12,903	41,200	38,900

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

*2 Mainly intersegment elimination and corporate expense.

Furthermore, Corporate expense represents mainly general and administrative expenses and experiment and research expense that are not allocated to reporting segments.

*3 Segment profit (loss) is reconciled to operating profit in the consolidated statements of income.

4. Price Assumptions for FY3/24 Forecasts

Market Price			Upper: from January 2022 to March 2023					Full year
			Lower: from January 2023 to March 2024					
			Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	
Crude oil price (CIF) *1	USD/bbl	FY3/23 (a)	-	101.55	115.31	105.93	89.98	102.26
		Initial (f) May 12	-	75.00	75.00	75.00	75.00	75.00
		Revised (f) Aug. 9	-	85.17 *2	75.00	75.00	75.00	77.45
WTI	USD/bbl	FY3/23 (a)	94.41	108.65	91.76	82.85	-	94.42
		Initial (f) May 12	75.00	75.00	75.00	75.00	-	75.00
		Revised (f) Aug. 9	76.11 *2	76.27 *2	75.00	75.00	-	75.60
JLC price	JPY/Ton	FY3/23 (a)	-	101,863	143,821	142,404	117,057	126,286
		Initial (f) May 12	-	82,800	75,700	75,400	75,400	77,300
		Revised (f) Aug. 9	-	88,287	81,400	76,200	75,800	80,422
Exchange rate	JPY/USD	FY3/23 (a)	-	122.50	133.58	143.32	133.39	132.86
		Initial (f) May 12	-	125.00	125.00	125.00	125.00	125.00
		Revised (f) Aug. 9	-	134.36 *2	130.00	130.00	130.00	131.16

*1 Domestic sales price average of crude oil referring to crude oil (CIF)

*2 Actual

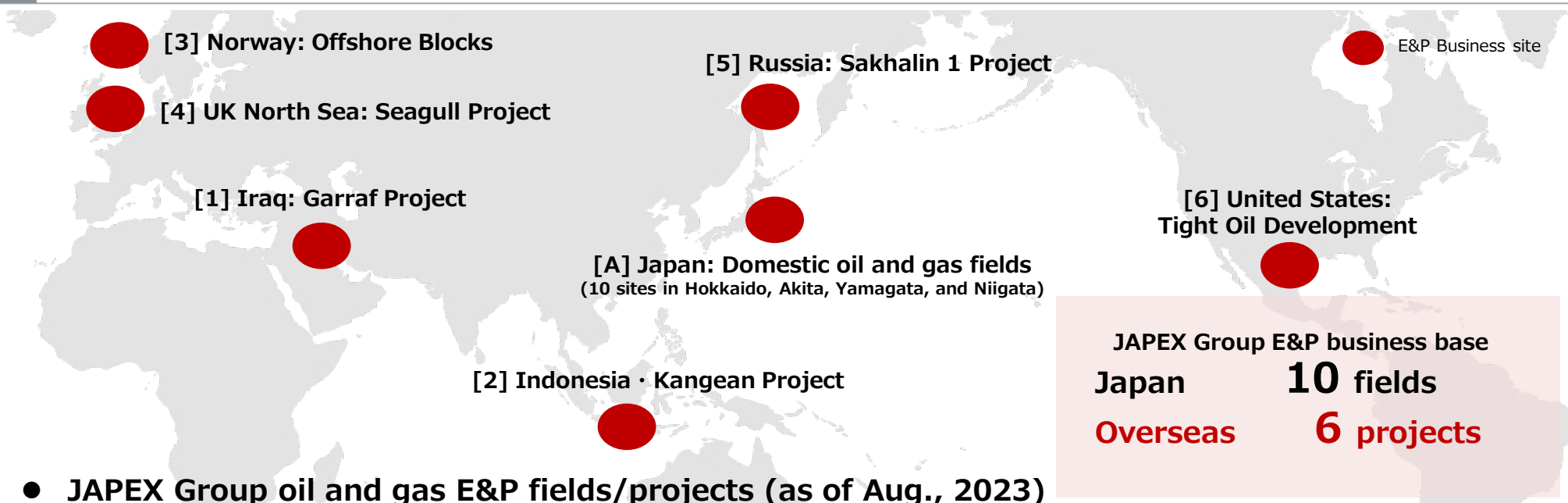
5. Sensitivities Analysis on FY3/24 Forecasts Basis

	FY3/24 2Q-4Q Assumptions	Fluctuation	Impacts on profit (Million Yen)		Main factors for change positive factor "+" / negative factor "-"
			Operating profit	Profit attributable to owners of parent	
Crude oil price	Crude oil price (CIF) USD 75.00/bbl	Increase by 1USD/bbl	320	240	+ Sales of oil and gas - Increase in LNG procurement cost
Exchange rate	JPY 130.00/USD	1 weaker JPY against USD	570	320	+ Sales of oil and gas - Increase in LNG procurement cost

【Assumptions】

- Changes in equity method investment gain are 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 also may occur.
- Actual profits are influenced by various other factors besides crude oil prices and exchange rates.

6. Business Overview ② E&P Field



● JAPEX Group oil and gas E&P fields/projects (as of Aug., 2023)

No.	Oil and gas field/Project title (Operator)	Interest Share (JAPEX's net)	Production type	Status	Production Volume*1
A	Japan: Domestic oil and gas fields (Total of 10 locations in Hokkaido, Akita, Yamagata, and Niigata)	Differ by interest	Crude oil/natural gas	Production/Development	Undisclosed
1	Iraq: Garraf Project (PETRONAS Carigali Iraq Holding B.V.)	30% (16.5%)	Crude oil	Production/Development	Approx. 148,000bbl*2
2	Indonesia: Kangean Project (Kangean Energy Indonesia Ltd.)	100% (25%)	Crude oil/natural gas	Production	Approx. 2,580,000m ³ (Approx. 15,000boed)
3	Norway: Offshore Blocks (Longboat JAPEX Norge AS*3)	Differ by interest	-	Exploration / Development	-
4	UK North Sea: Seagull Project (Neptune E&P UK Limited)	15% (15%)	Crude oil/natural gas	Development	(Scheduled to start production in FY2023)
5	Russia: Sakhalin-1 Project (Sakhalin-1 Limited Liability Company: S1LLC)	30% (4.59%)*3	Crude oil/natural gas	Production/Development	Undisclosed
6	North America: Tight Oil Development (Marathon Oil Corporation, EOG Resources Inc., etc.)	Differ by interest	Crude oil/natural gas	Production/Development	Undisclosed

*1: Average daily Production for 1Q FY2023 (Jan.-Mar. 2023 for overseas projects) / *2: Average daily production Apr.2023-Jun.2023

*3: Company name was changed upon completion of capital participation (49.9% stake) in Jul. 2023

*4: Pursuant to Government of the Russian Federation order on November 2022, Sakhalin Oil and Gas Development Co., Ltd.(SODECO) was approved to subscribe for 30% equity of the S1LLC.

6. Business Overview ③ I/U Field - Gas Supply

Features of JAPEX's domestic gas supply network

High-pressure gas pipeline network over **800 km total**

2 LNG terminals for ocean-going carriers

Capable to supply from Sea of Japan and Pacific Ocean

● Domestic gas supply

- Domestic produced gas and regasified LNG supply via pipelines
- Receive, storage, regasify, and deliver LNG
- LNG satellite system: tank trucks, domestic vessels
- Third-party or consignment use of our gas pipelines and LNG terminals etc.

● Respond to diversification of domestic gas supply

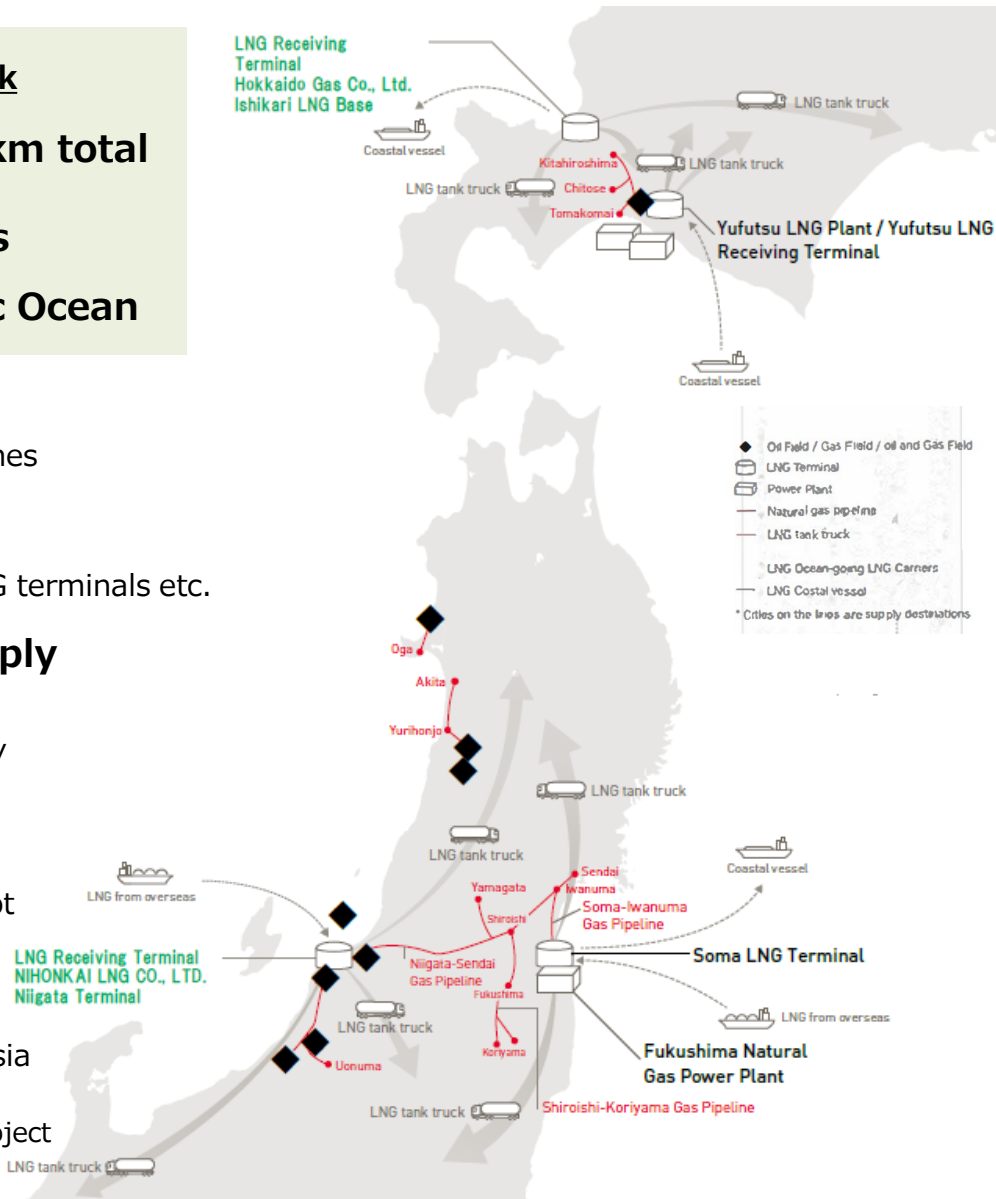
- Support fuel switching to natural gas from other fossil fuels
- Propose and provide energy services in cooperation with city gas suppliers

● LNG procurement

- Procure competitive LNG with a combination of term and spot contracts

● Overseas LNG supply infrastructure

- Launch new projects or other process mainly in Southeast Asia with stronger demands for gas
 - ✓ Ongoing feasibility study: Northern Vietnam LNG terminal project



6. Business Overview ④ I/U Field - Electricity

JAPEX's joining power plants are

Total 7 sites **Total output 1,389,550kW**
(Renewable energy 6 sites) **Renewable energy 209,550kW)**
 ※ Total output represents gross plant output

[1] Abashiri Biomass Power Plant No.2&3 **BIO**

[2] Mega solar power generation at JAPEX Hokkaido District Office

PV

PV

[3] Yufutsu Solar Power Plant



● Power plants in development and operation (as of Aug., 2023)

No.	Name	Location	Type	Capacity (kW)	Share	Status
A	Fukushima Natural Gas Power Plant	Shinchi Town, Fukushima	Natural gas (LNG)	1,180,000	33%	In operation
1	Abashiri Biomass No.2&3 Power Plants	Abashiri City, Hokkaido	Biomass (wood chip)	19,800	33.8%	In operation
2	Mega solar power generation at JAPEX Hokkaido District Office	Tomakomai City, Hokkaido	PV	1,800	100%	In operation
3	Yufutsu Solar Power Plant	Tomakomai City, Hokkaido	PV	13,000	20%	In operation
4	Tahara Biomass Power Plant	Tahara City, Aichi	Biomass (wood pellet)	50,000	39.9%	In construction
5	Ozu Biomass Power Plant	Ozu City, Ehime	Biomass (wood pellet)	50,000	35%	In construction
6	Chofu Biomass Power Plant	Shimonoseki City, Yamaguchi	Biomass (wood pellet)	74,950	39.9%	In construction

[A] Fukushima Natural Gas Power Plant

LNG



● Other renewable energy project

- PHOTON Sustainable Solar Investment Limited Partnership (funding up to 10 billion yen in PV generation projects including non-FIT projects; 50% of our investment ratio)

[6] Chofu Biomass Power Plant **BIO**

BIO

BIO

[4] Tahara Biomass Power Plant **BIO**

BIO

[5] Ozu Biomass Power Plant

- Gas power plant
- Renewable power plant
- Renewable power plant (under construction)

6. Business Overview ⑤ CN Field

● Ongoing CCS/CCUS initiatives to promote/participate in

Japan Realize hub & cluster model by FY2030

➤ Consideration in JAPEX

- ✓ Examination of CO₂ storage capacity in our oil and gas fields, etc.
- ✓ Study of re-injection of associated CO₂ from our oil and gas field operations

➤ Feasibility study with companies/cross-industry

- ✓ Feasibility study of CCUS project in Tomakomai area with Idemitsu and HEPCO
- ✓ JAPEX, Idemitsu, and HEPCO commissioned a CCS Study in Tomakomai Area as the "Business Feasibility Study on Japanese Advanced CCS Project" in FY2023 (Jul)
- ✓ JAPEX, MGC, TOHOKU-EPCO, HC and NRI commissioned a Study in East-Niigata Area as the "Business Feasibility Study on Japanese Advanced CCS Project" in FY2023 by JOGMEC (Aug)
- ✓ Considering of possibility of a business that effectively utilizes CO₂ in the Niigata area with Mitsubishi Gas Chemical

Overseas Early profit earning in advanced countries & consideration in emerging countries

➤ Consideration in JAPEX

- ✓ Consideration for participation in CCS/CCUS projects in North America, Europe and other systematically advanced areas

➤ Feasibility study on companies/cross-industry

- ✓ Joint feasibility study of a CCUS project in Indonesia's Sukowati oil field utilizing bilateral credits (with Pertamina Group and Lemigas)
- ✓ Signed Joint Study Agreement with JOGMEC and Pertamina Group to conduct study towards CO₂ injection test at Sukowati oil field in Indonesia (Jun)
- ✓ Agreed on Joint Evaluation with JFE Steel Corporation to establish CCS Value Chain Originated from Japan aligned with CCS Study in Malaysia (Jointly conducted with PETRONAS, JGC Global Corporation, and Kawasaki Kisen Kaisha, Ltd. on a survey of suitable sites and technical studies with a view to implementing CO₂ geological storage, and the three Japanese companies' consortium was adopted as a subsidized project by the Agency for Natural Resources and Energy in 2022). (Jun)

Common ➤ Technical and other related study

- ✓ Study on technical issues of energy transportation infrastructure for the realization of a CN society with JFE Engineering

7. Integrated Report and IR Materials

Please visit our website for the integrated report and IR materials.

Integrated Report

◆ Integrated Report



<https://www.japex.co.jp/en/ir/library/integratedreport/>

The latest issue
(Integrated Report 2022, published in September 2022)
is available directly via the following link

https://www.japex.co.jp/en/ir/uploads/pdf/JAPEX_IR2022_e.pdf

Disclosure Materials Archive

- ◆ Financial Results
- ◆ Explanatory Materials
- ◆ Securities Report

<https://www.japex.co.jp/en/ir/library/result/>

<https://www.japex.co.jp/en/ir/library/explanatory/>

<https://www.japex.co.jp/en/ir/library/report/>

Performance information, etc.

- ◆ Financial highlights for 5 years
* Past 10 years' CVS data is also available
- ◆ Shareholder Returns (Dividends)

<https://www.japex.co.jp/en/ir/figure/>

https://www.japex.co.jp/ir/uploads/JAPEX_10yearFinancialData_e.xlsx

<https://www.japex.co.jp/en/ir/stock/dividend/>

8. Glossary

● Abbreviations

BOE(D)	Barrels of Oil Equivalent (per Day)
CCS	Carbon dioxide Capture and Storage
CCUS	Carbon dioxide Capture, Utilization and Storage
CIF	Cost, Insurance and Freight
CN	Carbon neutral
E&P	Exploration and Production
I/U	Infrastructure & Utility
JCC	Japan Crude Cocktail
WTI	West Texas Intermediate

● Main Subsidiaries and Affiliates

Japex Garraf	Japex Garraf Ltd.	Iraq / Garraf Project
EMPI	Energi Mega Pratama Inc.	Indonesia / Kangean Project
SODECO	Sakhalin Oil & Gas Development Co., Ltd.	Russia / Sakhalin-1 Project
LBJ	Longboat JAPEX Norge AS	Norway: Offshore Blocks
FGP	Fukushima Gas Power Co., Ltd.	Natural gas-fired electric power generation Business

Cautionary Statement

This document contains future outlooks such as plans, forecasts, strategies, and others which are not historical facts 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.

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Note:

• Abbreviations used herein are as follows:

(a) = Actual results

(f) = Forecasts

FY = Fiscal Year (FY3/24, for instance, means 12 months ending March 31, 2024)

• Figures in parentheses in "Operating profit," "Ordinary profit," "Share of profit of entities accounted for using equity method," and "Profit attributable to owners of parent" represent losses in each category.

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

Corporate Communication Office, Japan Petroleum Exploration Co., Ltd. (JAPEX)

Tokyo, JAPAN TEL: +81-3-6268-7111

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