



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

Consolidated financial results ended March 31, 2011 <Supplementary material>

May 13, 2011

Japan Petroleum Exploration Co., Ltd.

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Note: The following abbreviations are used within this document:

1H = First half (1Q-2Q)

2H = Second half (3Q-4Q)

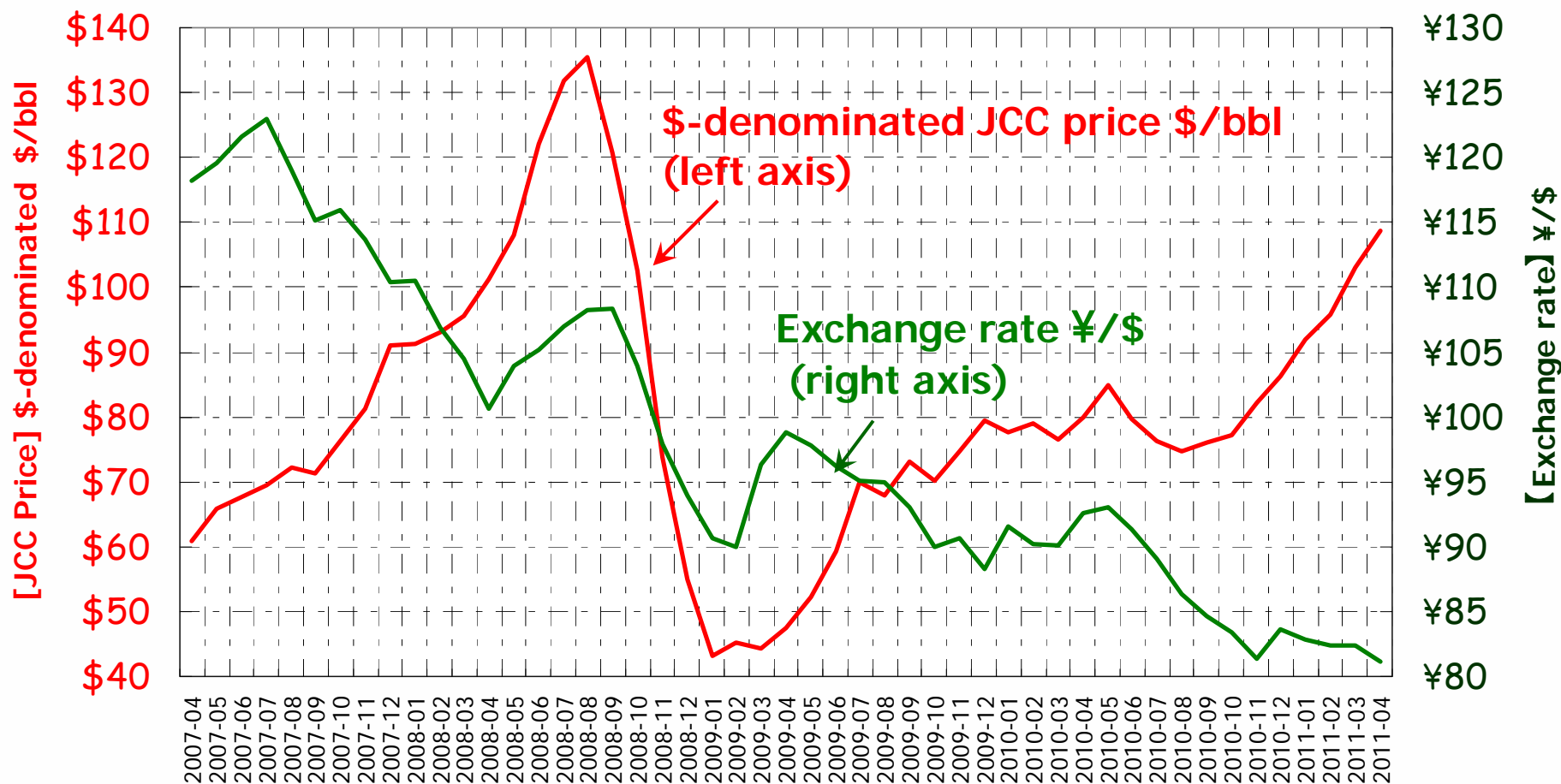
(a) = Actual result

(e) = Estimate

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Trends in Crude oil prices and Foreign exchange rates

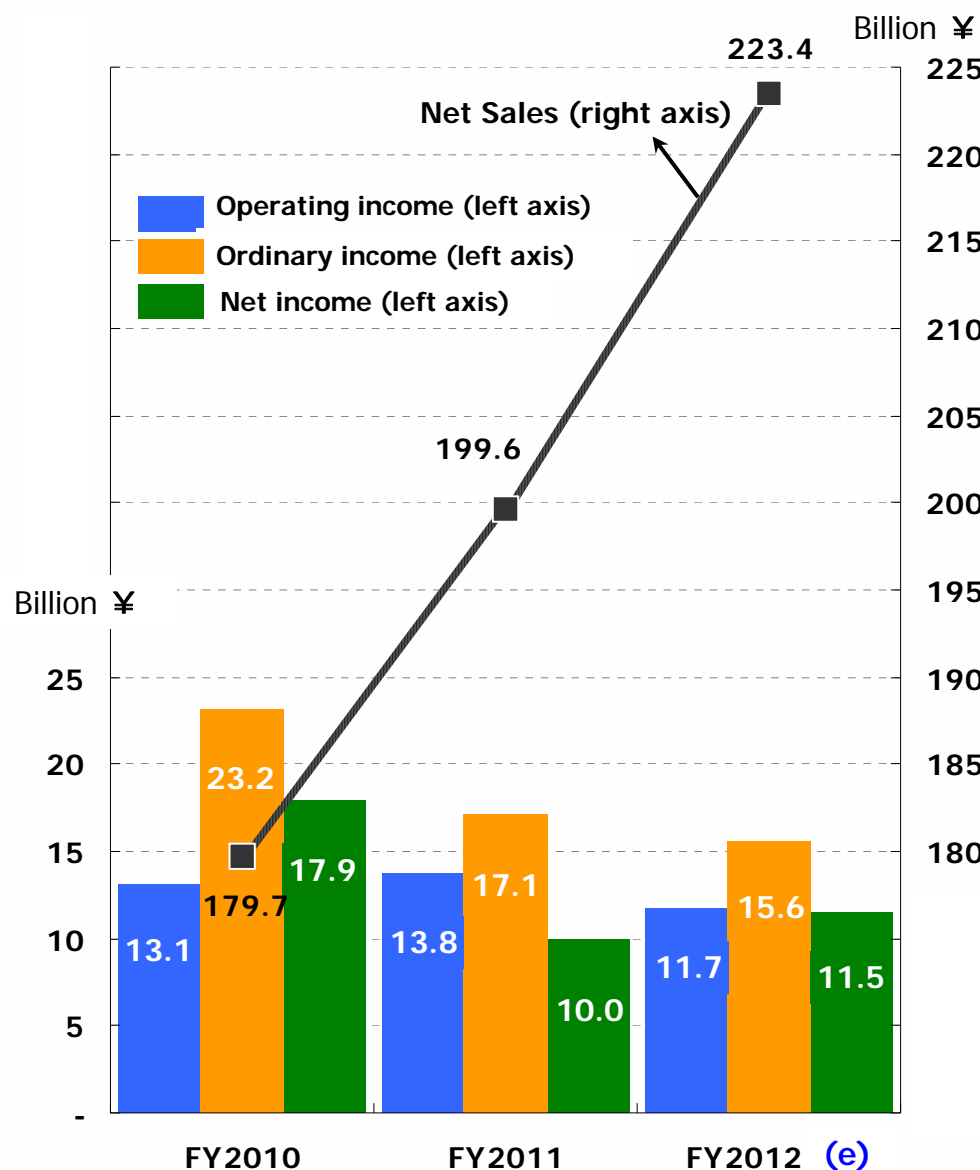


Japan Crude Cocktail (JCC) Price in the first 20 days of April 2011

on a prompt report basis : **USD 111.20 / bbl**

Yen 82.45 / USD

Actual results for FY2011 and Estimate for FY2012 (Highlight)



Actual results for FY2011 (vs FY2010)

[Billion ¥]	FY2010 (a)	FY2011 (a)	change	
Net Sales	179.7	199.6	19.9	11%
Operating income	13.1	13.8	0.7	5%
Ordinary income	23.2	17.1	(6.1)	(26%)
Net income	17.9	10.0	(7.9)	(44%)
JCC price USD/bbl	67.50	82.69	15.19	23%
Exchange rate Yen/USD	92.74	86.24	(6.50)	(7%)

Estimate for FY2012 (vs FY2011)

[Billion ¥]	FY2011 (a)	FY2012 (e)	change	
Net Sales	199.6	223.4	23.8	12%
Operating income	13.8	11.7	(2.1)	15%
Ordinary income	17.1	15.6	(1.5)	(9%)
Net income	10.0	11.5	1.5	15%
JCC price USD/bbl	82.69	90.00	7.31	9%
Exchange rate Yen/USD	86.24	85.00	(1.24)	(1%)

Actual results for FY2011 (Highlight)

[Million ¥]	FY2010 Actual	FY2011			Actual
		Initial estimate (May '10)	Revised estimate ① (Nov. '10)	Revised estimate ② (Feb. '11)	
Net Sales	179,752	196,891	192,319	194,606	199,651
Operating income	13,119	13,267	8,144	9,396	13,849
Ordinary income	23,206	14,908	10,454	13,028	17,122
Net income	17,939	10,265	7,434	9,083	10,010
JCC price USD/bbl	67.50	80.00	79.53	81.62	82.69
Exchange rate Yen/USD	92.74	90.00	87.56	86.37	86.24
Bitumen price CAD/bbl	50.15	56.65	49.31	48.67	48.32
Exchange rate Yen/CAD	88.07	85.00	80.00	81.47	81.47

◆ **Initial estimate (May '10) → Revised estimate ① (Nov. '10)**

【-】 Downward revision of the production and sales plans for natural gas & crude oil

【-】 Downward revision of crude oil prices & bitumen prices

◆ **Revised estimate ① (Nov. '10) → Revised estimate ② (Feb. '11)**

【+】 Rise in crude oil prices 【+】 Decrease in exploration expenses 【+】 Improve in non-operating income (expenses)

◆ **Revised estimate ② (Feb. '11) → Actual results**

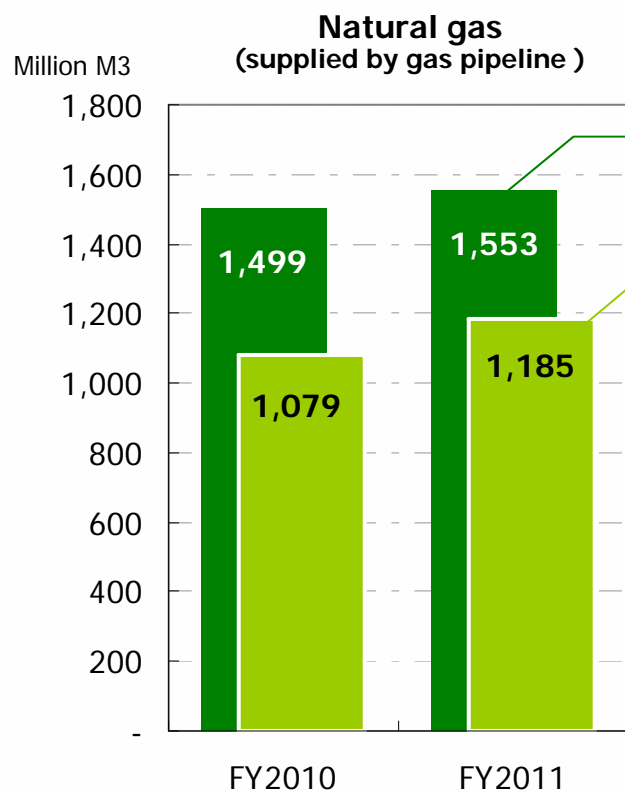
【+】 Rise in natural gas prices & crude oil prices 【+】 Increase in demand 【-】 Loss on Great East Japan Earthquake

Ordinary income ¥ 17.1 billion (+¥4.0billion) Net income ¥10.0 billion(+¥0.9billion)

Actual sales of Natural gas in FY2011 (vs FY2010)

			FY2010		FY2011		change	
			1H (a)	Full (a)	1H (a)	Full (a)	1H	Full
Natural gas:	Sales volume	Million M3	643	1,499	696	1,553	53	54
	Net sales	Million ¥	24,924	55,593	27,039	61,090	2,115	5,496
Of which, Domestically produced gas:	Sales volume	Million M3	454	1,079	529	1,185	74	105

Sales volume of "Domestically produced gas" stated herein does not include purchased gas.



Sales volume (total)

Of which, domestically produced gas

Sales volume increased by 54 million M3 (+4%) vs FY10

-Increase in demand for industrial users and commercial-scale utility gas customers

Net sales increased by ¥54 billion (+10%) vs FY10

-Increase in demand (+54 million M3 (+4%))

-Rise in sales prices

Actual sales of Crude oil in FY2011 (vs FY2010)

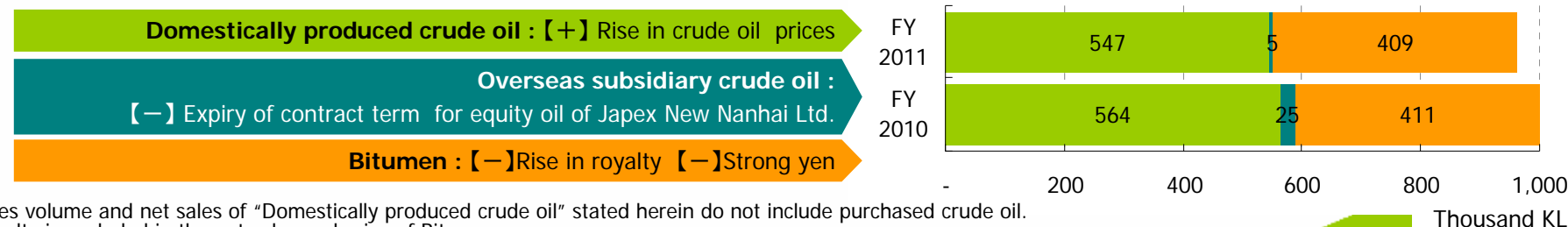
Sales volume : Thousand KL Net sales : Million ¥		FY 2010		FY 2011		change	
		1H (a)	Full (a)	1H (a)	Full (a)	1H	Full
Crude oil:	Sales volume	967	2,125	946	1899	(21)	(226)
	Net sales	33,008	80,742	38,242	77,629	5,233	(3,113)

Breakdown of equity oil

Domestically produced crude oil:	Sales volume	250	564	246	547	(4)	(16)
	Net sales	9,394	23,122	11,083	25,777	1,689	2,655
Overseas subsidiary crude oil:	Sales volume	23	25	3	5	(20)	(20)
	Net sales	598	690	117	187	(480)	(502)
Bitumen:	Sales volume	188	411	197	409	9	(2)
	Net sales	4,140	11,433	5,512	10,141	1,372	(1,292)

Oil price and Exchange rate assumptions

JCC price	USD/bbl	56.83	67.50	78.95	82.69	22.12	15.19
Exchange rate	Yen/USD	96.36	92.74	90.71	86.24	(5.65)	(6.50)
Bitumen price	CAD/bbl	42.10	50.15	52.98	48.32	10.87	(1.83)
Exchange rate	Yen/CAD	82.97	88.07	83.76	81.47	0.79	(6.60)



Sales volume and net sales of "Domestically produced crude oil" stated herein do not include purchased crude oil.

Royalty is excluded in the net sales and price of Bitumen.

Sales volume and net sales of "Overseas subsidiary crude oil" are the sum totals of the sales volumes and net sales reported by two overseas consolidated subsidiaries (Japex New Nanhai Ltd. and Japex (U.S.) Corp.).

Actual results for FY2011 (vs FY2010)

[Million ¥]	FY2010 (a)	FY2011 (a)	change
Net sales	179,752	199,651	19,898
Gross profit	54,285	54,732	447
Exploration expenses	10,396	9,798	(597)
SG&A expenses	30,769	31,084	314
Operating income	13,119	13,849	730
Non-operating income (expenses)	10,087	3,272	(6,815)
Ordinary income	23,206	17,122	(6,084)
Extraordinary income (losses)	162	(4,166)	(4,328)
Income taxes	4,443	2,161	(2,282)
Minority interests in income	986	783	(202)
Net income	17,939	10,010	(7,928)

« Causes of increase(+) or decrease(-) »

Gross profit

Domestic crude oil and natural gas
+ ¥2.1 billion
Overseas consolidated subsidiaries
- ¥1.9 billion

Exploration expenses

Domestic exploration - ¥1.8 billion
Overseas exploration + ¥2.4 billion

Non-operating income (expenses)

Dividends income - ¥5.5 billion
Loss on valuation of securities
- ¥1.0 billion

Extraordinary income (losses)

Loss on adjustment for changes of accounting
standard for asset retirement obligations
- ¥2.3 billion
Loss on Great East Japan Earthquake
- ¥1.5 billion

Estimates for FY2012 (Point)

[Million ¥]		FY2011		FY2012		change	
		1H (a)	Full (a)	1H (e)	Full (e)	1H	Full
Net Sales		92,369	199,651	101,256	223,479	8,887	23,827
Operating income		3,845	13,849	5,722	11,757	1,876	(2,093)
Ordinary income		4,929	17,122	7,362	15,634	2,433	(1,488)
Net income		1,896	10,010	5,459	11,528	3,563	1,517
JCC price	USD/bbl	78.95	82.69	90.00	90.00	11.05	7.31
Exchange rate	Yen/USD	90.71	86.24	85.00	85.00	(5.71)	(1.24)
Bitumen price	CAD/bbl	52.98	48.32	45.48	47.82	(7.50)	(0.50)
Exchange rate	Yen/CAD	83.76	81.47	85.00	85.00	1.24	3.53

Point FY2012 vs FY2011

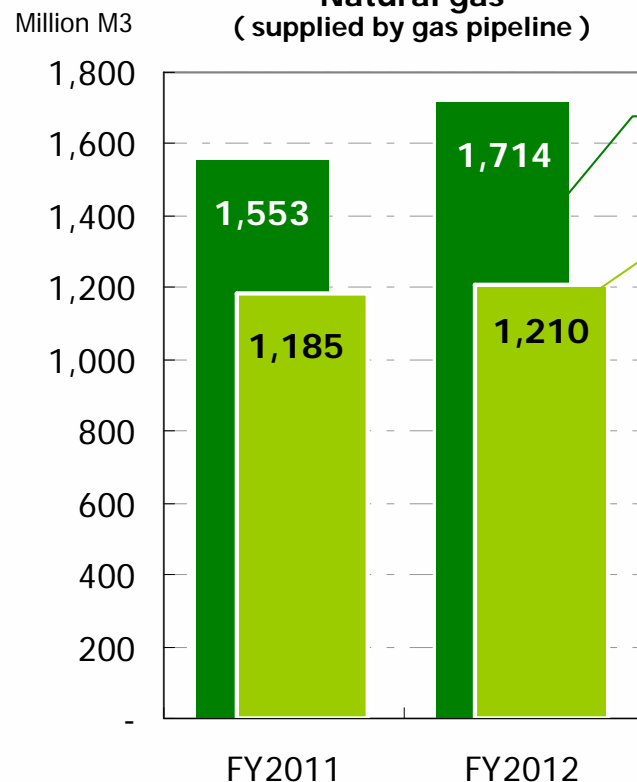
Operating income -¥ 2.0 billion	➤ Gross profit	-¥ 2.3 billion	-Transportation on consignment income
	➤ Exploration expenses	+¥ 0.3 billion	-Domestic Exploration expenses
Ordinary income -¥ 1.4 billion	➤ Non-operating income (expenses)	+¥ 0.6 billion	-Loss on valuation of securities
Net income +¥ 1.5 billion	➤ Extraordinary income (losses)	+¥ 3.9 billion	-Application of new accounting standards
	➤ Income taxes	-¥ 1.0 billion	-Loss on Great East Japan Earthquake

Estimated Natural gas sales in FY2012

			FY2011		FY2012		change	
			1H (a)	Full (a)	1H (e)	Full (e)	1H	Full
Natural gas:	Sales volume	Million M3	696	1,553	754	1,714	58	160
	Net sales	Million ¥	27,039	61,090	32,493	73,585	5,454	12,494
Of which, Domestically produced gas:	Sales volume	Million M3	529	1,185	545	1,210	15	25

Sales volume of "Domestically produced gas" stated herein does not include purchased gas.

Natural gas
(supplied by gas pipeline)



Sales volume (total)

Of which, domestically produced gas

Sales volume increased by 160 million M3 (+10%) vs FY11

-Increase in demand for utility gas customers and industrial users

Net sales increased by ¥124 billion (+20%) vs FY11

-Increase in demand (+160 million M3 (+10%))

-Rise in sales prices

Estimated Crude oil sales in FY2011

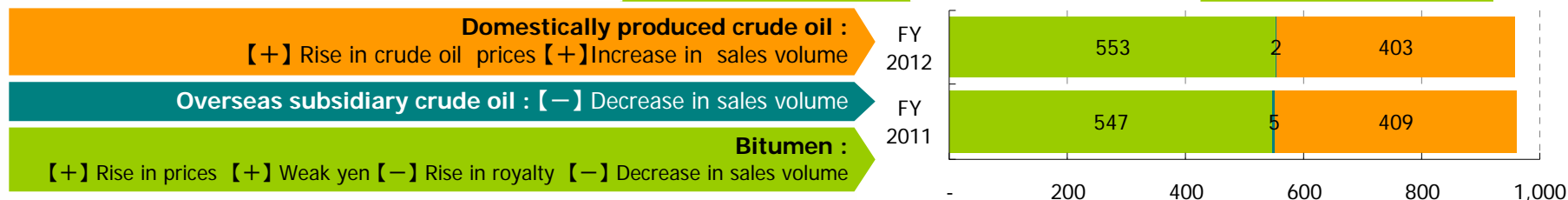
Sales volume : Thousand KL Net sales : Million ¥		FY 2011		FY 2012		change	
		1H (a)	Full (a)	1H (e)	Full (e)	1H	Full
Crude oil:	Sales volume	946	1,899	948	1,949	2	50
	Net sales	38,242	77,629	41,774	86,093	3,532	8,464

Breakdown of equity oil

Domestically produced crude oil:	Sales volume	246	547	256	553	10	6
	Net sales	11,083	25,777	12,528	26,978	1,445	1,200
Overseas subsidiary crude oil:	Sales volume	3	5	1	2	(2)	(3)
	Net sales	117	187	56	102	(61)	(85)
Bitumen:	Sales volume	197	409	191	403	(6)	(6)
	Net sales	5,512	10,141	4,645	10,323	(867)	183

Oil price and Exchange rate assumptions

JCC price	USD/bbl	78.95	82.69	90.00	90.00	11.05	7.31
Exchange rate	Yen/USD	90.71	86.24	85.00	85.00	(5.71)	(1.24)
Bitumen price	CAD/bbl	52.98	48.32	45.48	47.82	(7.50)	(0.50)
Exchange rate	Yen/CAD	83.76	81.47	85.00	85.00	1.24	3.53



Sales volume and net sales of "Domestically produced crude oil" stated herein do not include purchased crude oil.

Royalty is excluded in the net sales and price of Bitumen.

Sales volume and net sales of "Overseas subsidiary crude oil" are the sum totals of the sales volumes and net sales reported by two overseas consolidated subsidiaries (Japex New Nanhai Ltd. and Japex (U.S.) Corp.).

Estimates for FY2012

[Million ¥]	FY2011 (a)	FY2012 (e)	change
Net sales	199,651	223,479	23,827
Gross profit	54,732	52,361	(2,372)
Exploration expenses	9,798	9,446	(353)
SG&A expenses	31,084	31,158	74
Operating income	13,849	11,757	(2,093)
Non-operating income (expenses)	3,272	3,877	605
Ordinary income	17,122	15,634	(1,488)
Extraordinary income (losses)	(4,166)	(255)	3,912
Income taxes	2,161	3,245	1,084
Minority interests in income	783	607	(177)
Net income	10,010	11,528	1,517

« Causes of increase(+) or decrease(-) »

Gross profit

Domestic crude oil and natural gas
+ ¥2.7 billion

Expenses incurred in connection with increase
in purchase volume of LNG
- ¥2.2 billion

Transportation on consignment income
- ¥2.7 billion

Exploration expenses

Domestic exploration + ¥0.8 billion

Overseas exploration - ¥0.4 billion

Non-operating income (expenses)

Loss on valuation of securities
+ ¥1.0 billion

Dividends income - ¥0.3 billion

Extraordinary income (losses)

Loss on adjustment for changes of accounting
standard for asset retirement obligations
+ ¥2.3 billion

Loss on Great East Japan Earthquake
+ ¥1.5 billion

Oil price and Exchange rate assumptions and impact on profits

Assumption	JCC price USD 90 /bbl	Exchange rate Yen 85 /USD	Bitumen price CAD 47.82 /bbl (Yen 85 /CAD)
Impact on Profits	USD 1 /bbl increase in crude oil prices would push profits up by...	A weakening in the yen to Yen 5 /USD would push profits up by...	CAD 1 /bbl increase in bitumen prices would push profits up by...
Operating income	320 million Yen	1,170 million Yen	(25.4 thousand CAD) 220 million Yen
Net income	200 million Yen	800 million Yen	(22.2 thousand CAD) 190 million Yen

		FY2011			FY2012			change
		1H (a)	2H (a)	Full (a)	1H (e)	2H (e)	Full (e)	
JCC price	USD/bbl	78.95	85.67	82.69	90.00	90.00	90.00	7.31
Exchange rate	Yen / USD	90.71	82.95	86.24	85.00	85.00	85.00	(1.24)
Bitumen price	CAD/bbl	52.98	43.98	48.32	45.48	49.93	47.82	(0.50)
Exchange rate	Yen /CAD	83.76	81.47	81.47	85.00	85.00	85.00	3.53

Note1: Royalty is excluded in "Bitumen price".

Note2: In addition to the impact of exchange rate fluctuations shown on the above, translation adjustments of foreign-currency- denominated receivables and payables also occur.

Actual profits are influenced by a variety of other factors besides crude oil prices and exchange rates.