



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

# **Consolidated financial results for the three months ended June 30, 2012 <Supplementary material>**

**August 3, 2012**

Japan Petroleum Exploration Co., Ltd.

# Cautionary statement

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**Note:** The following abbreviations are used within this document:

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

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

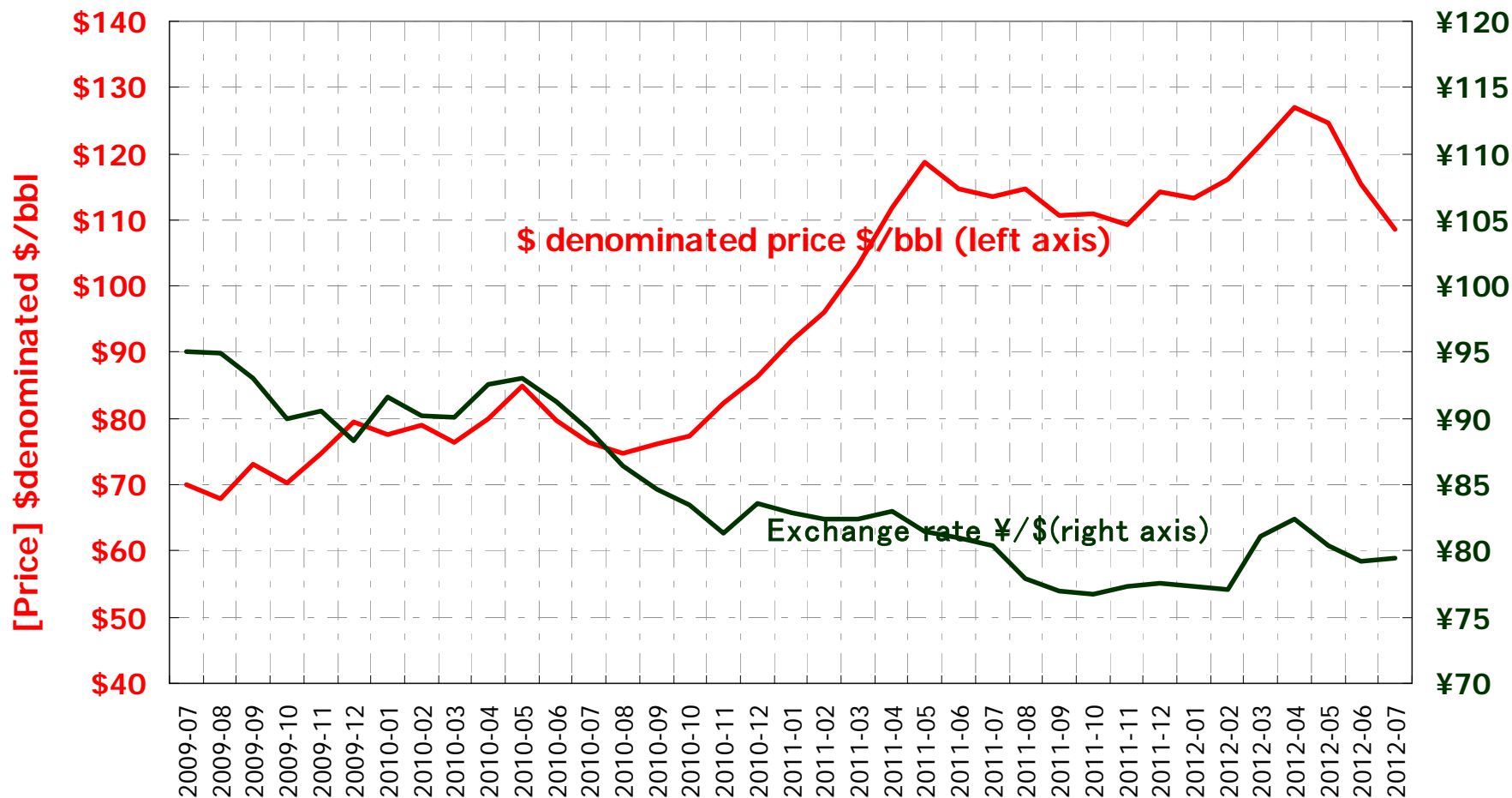
(a) = Actual result

(e) = Estimate

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# Trends in Crude oil prices and Foreign exchange rates



Japan Crude Cocktail (JCC) Price in the first 10 days of July 2012  
on a prompt report basis : **USD 108.54 / bbl**  
**Yen 79.49 / USD**

# Revised estimates for 1H FY2013 (Summary)

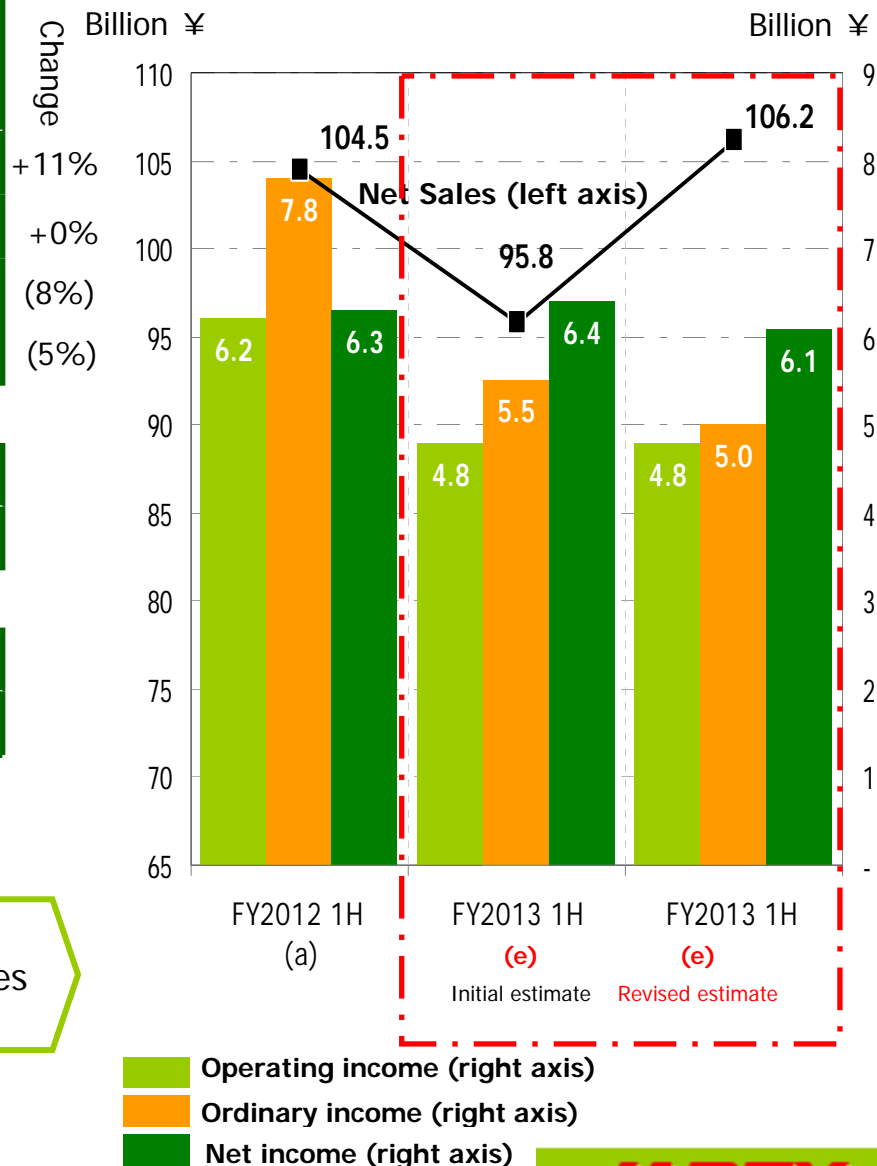
[ Billion ¥]	FY2013 1H (a)	FY2013 1H (e) Initial estimate	FY2013 1H (e) Revised estimate
Net sales	104.5	95.8	<b>106.2</b>
Operating income	6.2	4.8	<b>4.8</b>
Ordinary income	7.8	5.5	<b>5.0</b>
Net income	6.3	6.4	<b>6.1</b>

JCC price USD/bbl	112.38	100.00	<b>115.47</b>
Exchange rate Yen/USD	81.07	80.00	<b>80.74</b>

Bitumen price CAD/bbl	45.70	54.12	<b>52.74</b>
Exchange rate Yen/CAD	83.38	80.00	<b>76.77</b>

## Main points of revised estimates for 1H :

-Increase in net sales mainly reflecting the increase of sales volume of purchased crude oil from overseas.



# Consolidated financial estimates for the FY2013 [Highlight]

[ Billion ¥ ]	FY2012			FY2013			change		
	1Q (a)	1Q-2Q (a)	Full (a)	1Q (a)	1Q-2Q (e)	Full (e)	1Q	1Q-2Q	Full
Net sales	52.4	104.5	230.6	56.4	106.2	214.6	4.0	1.6	(15.9)
Operating income	4.6	6.2	15.0	3.6	4.8	10.0	(1.0)	(1.3)	(5.0)
Ordinary income	5.5	7.8	22.1	4.4	5.0	16.8	(1.1)	(2.8)	(5.3)
Net income	4.4	6.3	17.0	3.4	6.1	16.5	(0.9)	(0.1)	(0.5)
JCC price USD/bbl	110.80	112.38	112.43	124.11	115.47	100.00	13.30	3.09	(12.43)
Exchange rate Yen/USD	82.25	81.07	87.93	81.26	80.74	80.00	(0.99)	(0.33)	1.07
Bitumen price CAD/bbl	40.91	45.70	49.81	54.22	52.74	52.91	+13.31	+7.04	+3.10
Exchange rate Yen/CAD	85.66	83.38	76.22	82.52	76.77	80.00	▲3.14	▲6.61	+3.78

Regarding consolidated financial estimates, an examination of the first quarter results revealed that no changes are necessary to the full-year forecasts released on May 11, 2012.

## Point FY2013 vs. FY2012

**Operating income**      ➤ **Exploration expenses**      **-¥ 6.0 billion**  
**-¥ 5.0 billion**

**Ordinary income**      ➤ **Non-operating income**      **-¥ 0.3 billion**      **-Dividends income**  
**-¥ 5.3 billion**      **(expenses)**

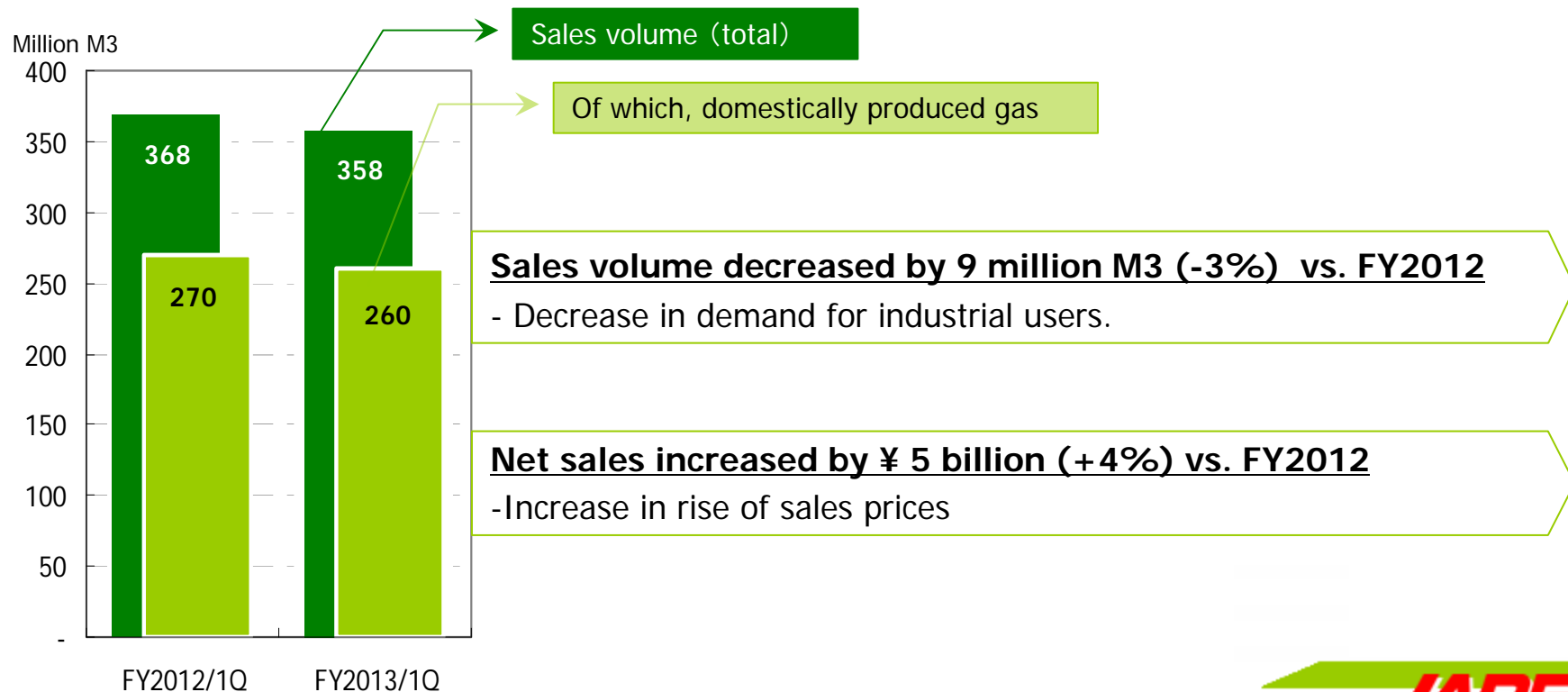
**Net income**      ➤ **Extraordinary income**      **+¥ 2.0 billion**      **-Gain on assignment of working interest**  
**-¥ 0.5 billion**      **(losses)**  
 ➤ **Income taxes**      **+¥ 2.7 billion**

# Actual sales of Natural gas in 1Q FY2013 ( vs. FY2012 )

Sales volume : Million M3 Net sales : Million ¥		FY2012 1Q (a)	FY2013 1Q (a)	change
Natural gas:	Sales volume	368	<b>358</b>	(9)
	Net sales	15,299	<b>15,837</b>	538
Of which, Domestically produced gas:	Sales volume	270	<b>260</b>	(9)

-Rise in sales prices.

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



# Actual sales of Crude oil in 1Q FY2013 ( vs. FY2012 )

Sales volume : Thousand KL Net sales : Million ¥		FY2012 1Q (a)	FY2013 1Q (a)	change
Crude oil:	Sales volume	462	<b>473</b>	11
	Net sales	24,235	<b>25,077</b>	842

-Increase in sales volume of purchased crude oil.

## Breakdown of equity oil

Domestically produced crude oil:	Sales volume	129	<b>130</b>	1
	Net sales	7,658	<b>8,292</b>	633
Overseas subsidiary crude oil:	Sales volume	0	<b>0</b>	(0)
	Net sales	32	<b>30</b>	(1)
Bitumen:	Sales volume	93	<b>97</b>	3
	Net sales	2,057	<b>2,781</b>	724

-Rise in sales prices.

-Rise in sales prices.

## Oil price and Exchange rate assumptions

JCC price	USD/bbl	110.80	<b>124.11</b>	13.30
Exchange rate	Yen / USD	82.25	<b>81.26</b>	(0.99)
Bitumen price	CAD/bbl	40.91	<b>54.22</b>	13.31
Exchange rate	Yen /CAD	85.66	<b>82.52</b>	(3.14)

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" stated herein are amounts of Japex (U.S.) Corp., an overseas consolidated subsidiary.

# Actual results for 1Q FY2013 ( vs. FY2012 )

[ Million ¥]	FY12	FY13	change
	1Q (a)	1Q (a)	
Net sales	52,462	<b>56,472</b>	4,010
Gross profit	13,688	<b>15,497</b>	1,809
Exploration expenses	1,569	<b>4,180</b>	2,611
SG&A expenses	7,444	<b>7,673</b>	229
Operating income	4,674	<b>3,642</b>	(1,031)
Non-operating income (expenses)	899	<b>795</b>	(103)
Ordinary income	5,573	<b>4,438</b>	(1,135)
Extraordinary income (losses)	74	<b>(232)</b>	(307)
Income taxes	1,139	<b>659</b>	(479)
Minority interests in income	86	<b>75</b>	(11)
Net income	4,422	<b>3,471</b>	(950)

Causes of increase(+) or decrease(-)

## Gross profit

Domestic crude oil and natural gas	+0.3 billion
LNG substitution expense	-¥0.6 billion
Transportation fee of natural gas	+1.2 billion
Overseas consolidated subsidiaries	-¥0.8 billion

## Exploration expenses

Domestic exploration	-¥1.8 billion
Overseas exploration	-¥0.7 billion

## Non-operating income (expenses)

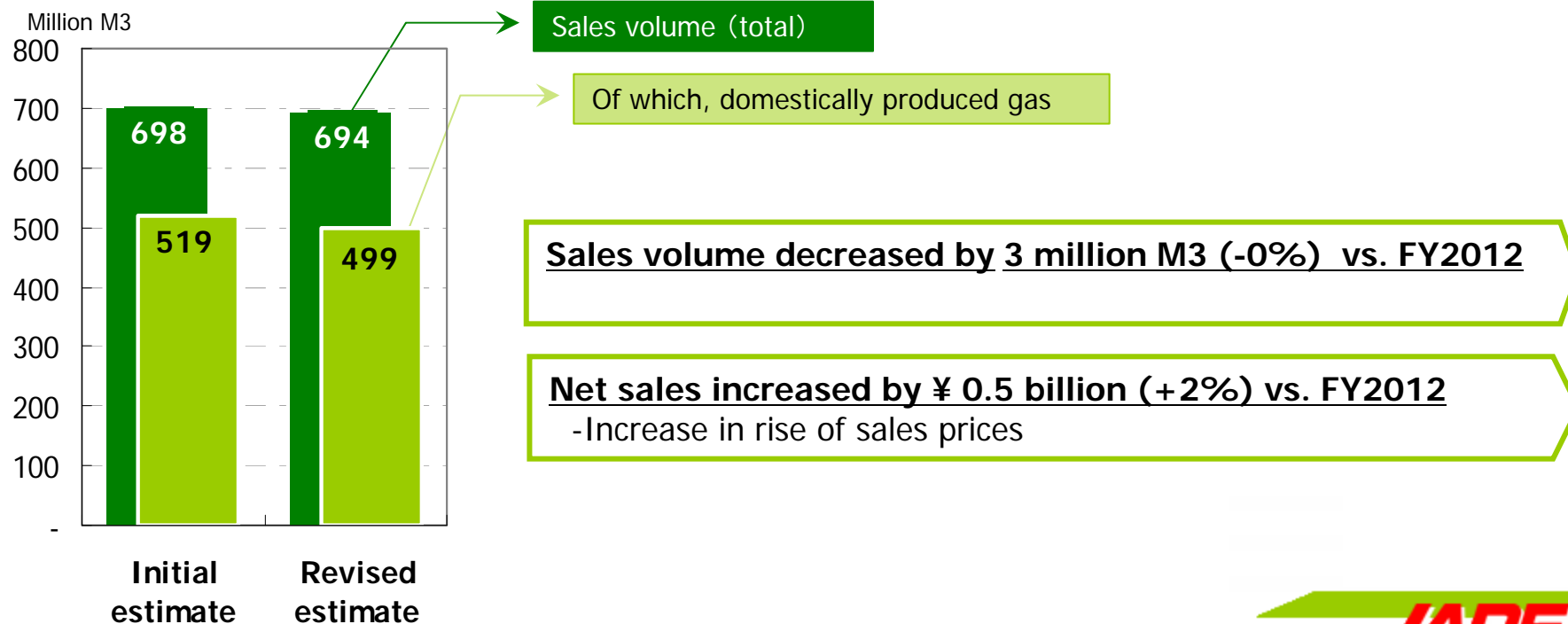
Dividends income	+¥0.3 billion
Equity in losses of affiliates	-¥0.4 billion



## Revised estimated Natural gas sales in 1H FY2013 (vs. Initial estimate)

		FY2013 1H (e) Initial estimate	FY2013 1H (e) <b>Revised estimate</b>	change
Sales volume : Million M3 Net sales : Million ¥				
Natural gas:	Sales volume	698	694	▲3
	Net sales	31,385	31,905	+520
Of which, Domestically produced gas:	Sales volume	519	499	▲20

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



## Revised estimated Crude oil sales for 1H FY2013 (vs. Initial estimate)

Sales volume : Thousand KL Net sales : Million ¥		FY2013 1H (e) Initial estimate	FY2013 1H (e) <b>Revised estimate</b>	change
Crude oil:	Sales volume	804	917	+112
	Net sales	37,577	45,265	+7,687

- Increase in sales volume of purchased crude oil from overseas

### Breakdown of equity oil

Domestically produced crude oil:	Sales volume	251	238	▲13
	Net sales	12,920	14,011	+1,091
Overseas subsidiary crude oil:	Sales volume	1	1	+0
	Net sales	48	62	+14
Bitumen:	Sales volume	173	186	+13
	Net sales	4,705	4,774	+69

### Oil price and Exchange rate assumptions

JCC price	USD/bbl	100.00	115.47	+15.47
Exchange rate	Yen / USD	80.00	80.74	+0.74
Bitumen price	CAD/bbl	54.12	52.74	▲1.38
Exchange rate	Yen /CAD	80.00	76.77	▲3.23

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" stated herein are amounts of Japex (U.S.) Corp., an overseas consolidated subsidiary.

## Revised estimates for 1H FY2013 (vs. Initial estimate)

[ Million ¥]	FY2013 1H (e) Initial estimate	FY2013 1H (e) Revised estimate	change
Net sales	95,823	106,210	+10,387
Gross profit	27,814	26,964	▲850
Exploration expenses	8,275	7,490	▲786
SG&A expenses	14,680	14,598	▲82
Operating income	4,858	4,876	+18
Non-operating income (expenses)	645	199	▲445
Ordinary income	5,503	5,076	▲427
Extraordinary income (losses)	2,080	1,988	▲92
Income taxes	730	379	▲351
Minority interests in income	413	539	+127
Net income	6,441	6,145	▲296

Causes of increase(+) or decrease(-)

### Gross profit

Domestic crude oil and natural gas	-1.4 billion
Transportation fee of natural gas	+¥0.4 billion
Overseas consolidated subsidiaries	+0.3 billion

### Exploration expenses

Domestic exploration	+¥0.4 billion
Overseas exploration	+¥0.3 billion

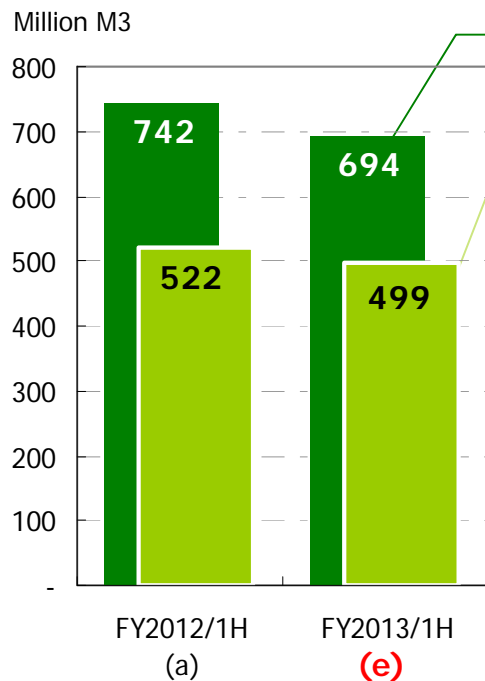
### Non-operating income (expenses)

Dividends income	+¥0.3 billion
Equity in losses of affiliates	-¥0.8 billion

# Revised estimated Natural gas sales in 1H FY2013 (vs. FY2012)

Sales volume : Million M3 Net sales : Million ¥		FY2012 1H (a) Initial estimate	FY2013 1H (e) Revised estimate	change
Natural gas:	Sales volume	742	694	▲48
	Net sales	31,170	31,905	+734
Of which, Domestically produced gas:	Sales volume	522	499	▲23

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



Sales volume (total)

Of which, domestically produced gas

**Sales volume decreased by 48 million M3 (-6%) vs. FY2012**

- Decrease in demand for industrial users.

**Net sales increased by ¥ 0.7 billion (+2%) vs. FY2012**

- Increase in rise of sales prices

# Revised estimated Crude oil sales in 1H FY2013 (vs. FY2012)

Sales volume : Thousand KL Net sales : Million ¥		FY2012 1H (a) Initial estimate	FY2013 1H (e) Revised estimate	change
Crude oil:	Sales volume	896	917	+21
	Net sales	46,649	45,265	(1,384)

## Breakdown of equity oil

Domestically produced crude oil:	Sales volume	239	238	(1)
	Net sales	13,925	14,011	+85
Overseas subsidiary crude oil:	Sales volume	1	1	(0)
	Net sales	84	62	(22)
Bitumen:	Sales volume	175	186	+10
	Net sales	4,207	4,774	+567

## Oil price and Exchange rate assumptions

JCC price	USD/bbl	112.38	115.47	+3.09
Exchange rate	Yen / USD	81.07	80.74	(0.33)
Bitumen price	CAD/bbl	45.70	52.74	+7.04
Exchange rate	Yen /CAD	83.38	76.77	(6.61)

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" stated herein are amounts of Japex (U.S.) Corp., an overseas consolidated subsidiary.

## Revised estimates for 1H FY2013 (vs. FY2012)

[ Million ¥]	FY2012	FY2013	change
	1H (a)	1H (e)	
Net sales	104,596	<b>106,210</b>	+1,614
Gross profit	25,338	<b>26,964</b>	+1,626
Exploration expenses	4,043	<b>7,490</b>	+3,446
SG&A expenses	15,075	<b>14,598</b>	▲477
Operating income	6,219	<b>4,876</b>	▲1,343
Non-operating income (expenses)	1,668	<b>199</b>	▲1,469
Ordinary income	7,887	<b>5,076</b>	▲2,812
Extraordinary income (losses)	▲42	<b>1,988</b>	+2,030
Income taxes	1,277	<b>379</b>	▲898
Minority interests in income	235	<b>539</b>	+304
Net income	6,333	<b>6,145</b>	▲188

Causes of increase(+) or decrease(-)

### Gross profit

Domestic crude oil and natural gas	-0.4 billion
LNG substitution expense	-¥0.8 billion
Transportation fee of natural gas	+2.3 billion
Overseas consolidated subsidiaries	+¥0.7 billion

### Exploration expenses

Domestic exploration	-¥2.0 billion
Overseas exploration	-¥1.3 billion

### Non-operating income (expenses)

Equity in losses of affiliates	-¥1.6 billion
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### Extraordinary income (losses)

Gain on assignment of working interest	+2.4 billion
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