



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

Consolidated financial results for the six months ended September 30, 2012 <Supplementary material>

November 2, 2012

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)

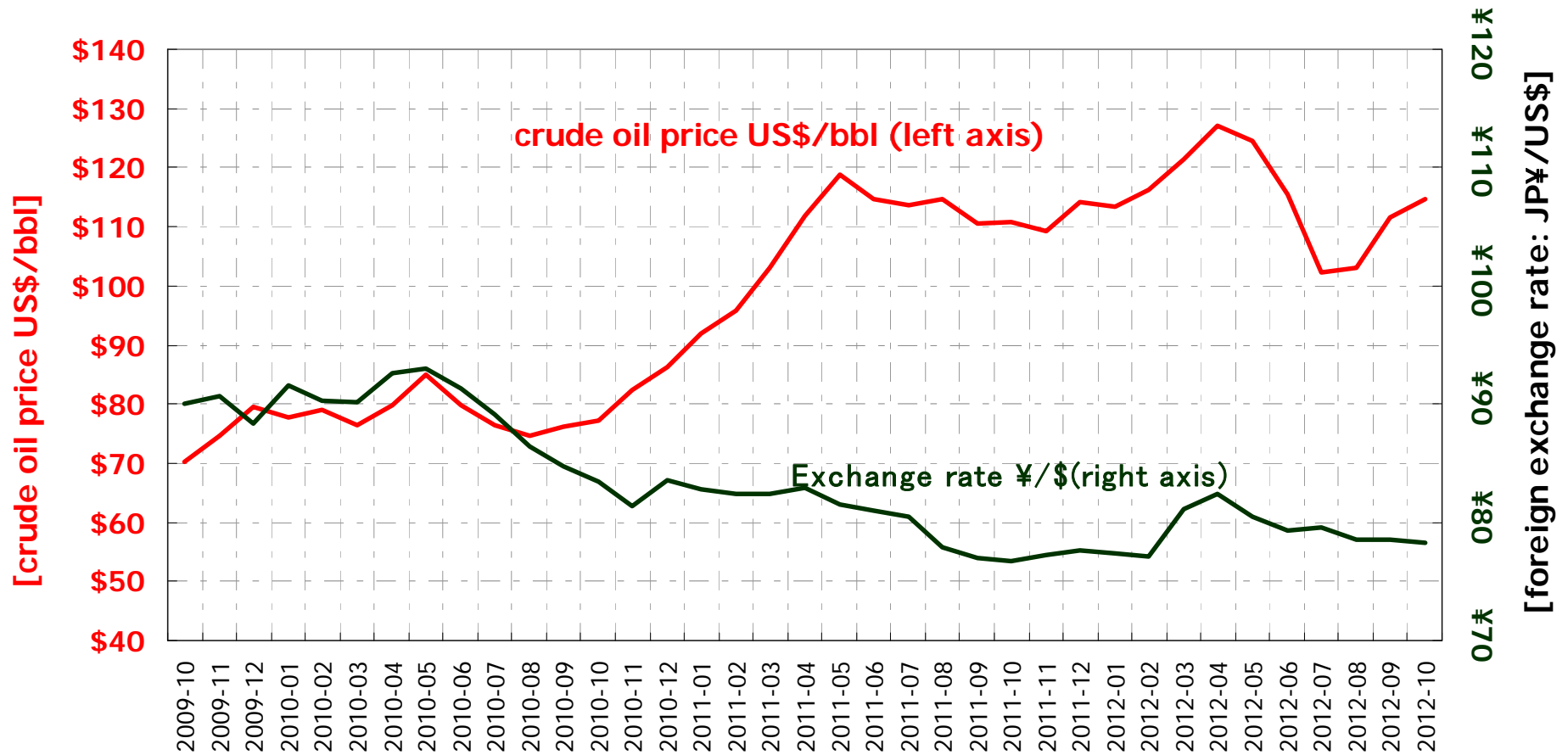
(a) = Actual result

(e) = Estimate

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Trends in Crude oil prices and Foreign exchange rates



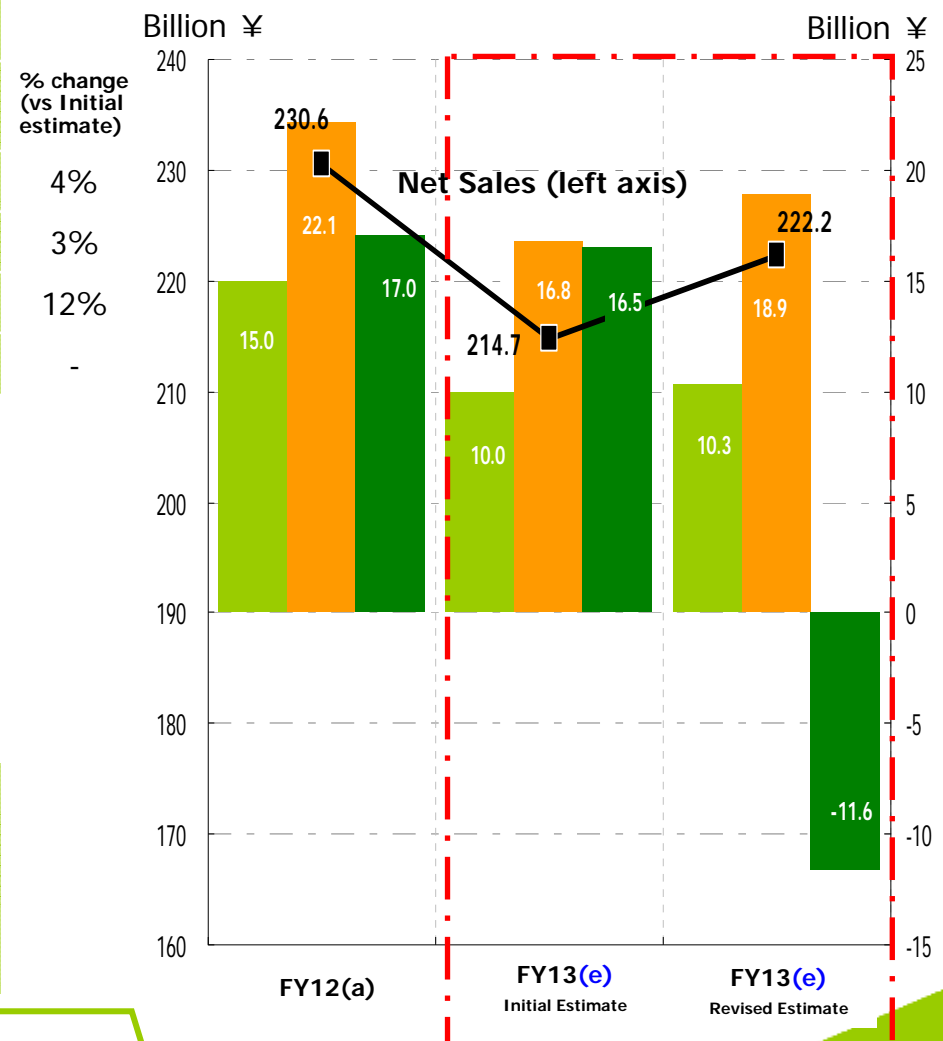
Japan Crude Cocktail (JCC) Price in the first 10 days of October 2012

on a prompt report basis : **USD 114.74/bbl**

Yen 78.24/USD

Revised estimates for FY2013 (Highlight)

[Billion ¥]	FY12 (a)	FY13 (e)			% change (vs Initial estimate)
		Initial estimate (May11 '12)	Revised estimate (Oct. 26'12)	change	
Net Sales	230.6	214.7	222.2	7.6	4%
Operating income	15.0	10.0	10.3	0.3	3%
Ordinary income	22.1	16.8	18.9	2.0	12%
Net income	17.0	16.5	(11.6)	(28.2)	-
JCC price USD/bbl	112.43	100.00	112.08	12.08	
Exchange rate Yen/USD	78.93	80.00	80.19	0.19	
Bitumen price CAD/bbl	49.81	52.91	48.76	(4.15)	
Exchange rate Yen/CAD	76.22	80.00	80.00	-	
	1Q (a)	2Q (a)	3Q (e)	4Q (e)	
JCC price USD/bbl	124.11	106.79	115.00	100.00	
Bitumen price CAD/bbl	54.22	49.57	45.29		



Main points of revised estimate :

- Increased Profit * Increase in sales price * Increase of dividends income
- Decreased Profit
- * Downward revision of the production and sales plans for natural gas and crude oil
- * Impairment loss of business assets at Yufutsu oil & gas field

- Operating income (right axis)
- Ordinary income (right axis)
- Net income (right axis)



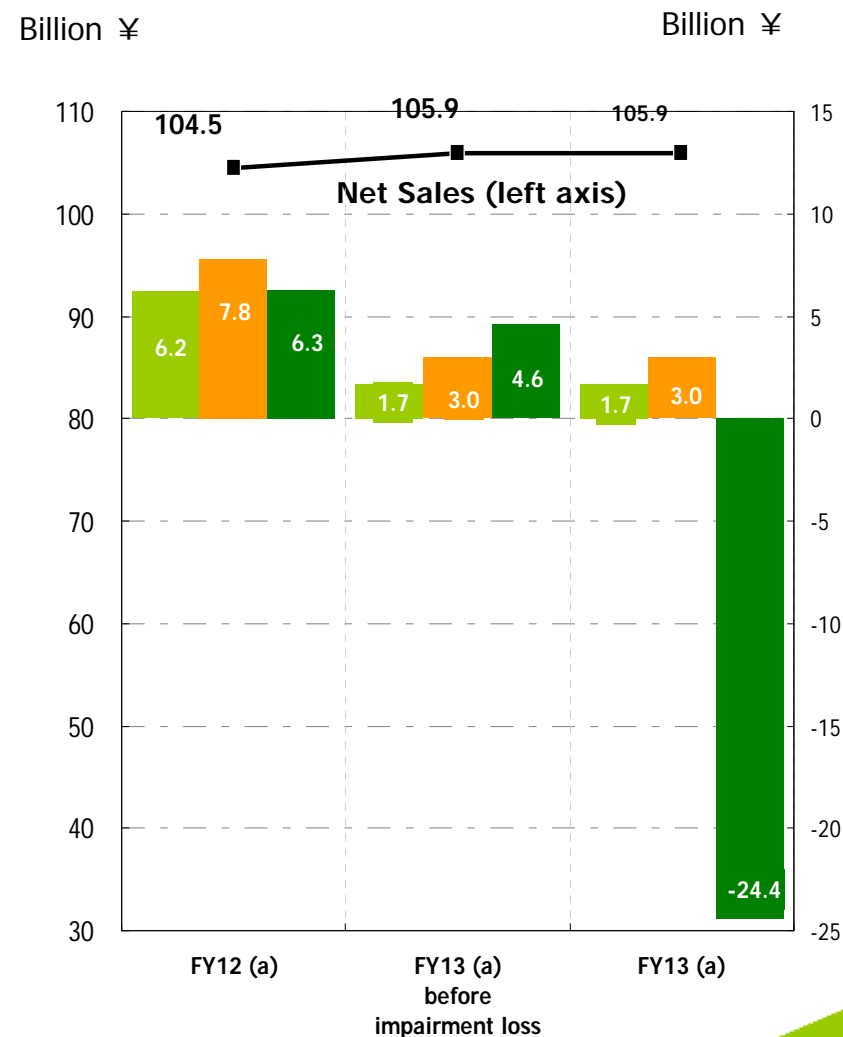
Actual financial results for 1H FY2012 (Summary)

[Billion ¥]	FY12 1H (a)	FY13	1H	% change (vs Initial estimate)
		Initial estimate (Aug. '12) (e)	(a)	
Net Sales	104.5	106.2	105.9	-0%
Operating income	6.2	4.9	1.7	-64%
Ordinary income	7.8	5.1	3.0	-40%
Net income	6.3	6.1	(24.4)	—
JCC price USD/bbl	112.38	115.47	116.16	
Exchange rate Yen/USD	81.07	80.74	80.35	
Bitumen price CAD/bbl	45.70	52.74	52.02	
Exchange rate Yen/CAD	83.38	76.77	76.77	

Main points of difference with initial estimate :

- Operating income - ¥ 3.0 billion
 - Net Sales - ¥ 3.3billion (-12%)
 - Exploration expenses / SG&A expenses +¥ 0.2billion
- Ordinary income - ¥ 2.0billion (-40%)
 - Equity in earnings +¥ 1.1billion
- Net income - ¥ 30.5billion (—)

Impairment loss -¥37 billion



- Operating income (right axis)
- Ordinary income (right axis)
- Net income (right axis)

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Details of Impairment Loss for Yufutsu oil & gas field production facilities

✓ Sign of impairment loss

Found the production capacity declined by assessment of the Yufutsu oil & gas field

✓ Cash flow calculation and its precondition of production volume

Suppose the production capacity will decrease considerably in FY2013 and will decline gradually afterwards

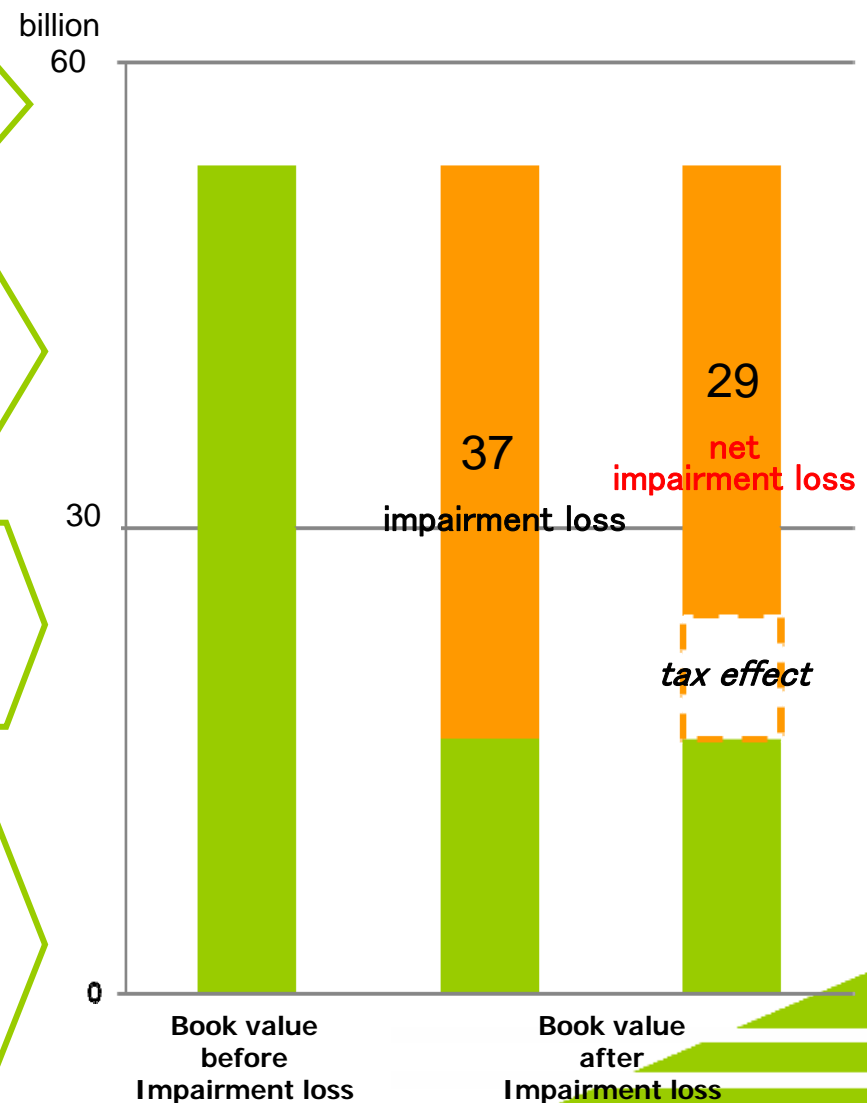
(※undeveloped areas including Akeno are excluded above)

✓ Preconditions for calculating cash flows

- Crude oil price: US\$100/bbls
- Foreign exchange rate: ¥80/US\$
- Reduction rate to the present value: 10%

✓ Results of cash flow calculation

- Future cash flow from Yufutsu oil & gas field will keep "plus" but will be below the present book value
- Posting a ¥37 billion impairment loss in extraordinary loss
- Impairment loss reflect a decrease in income taxes due to the recording of deferred tax assets



Actual sales of natural gas in 1H FY2013 (vs FY2012)

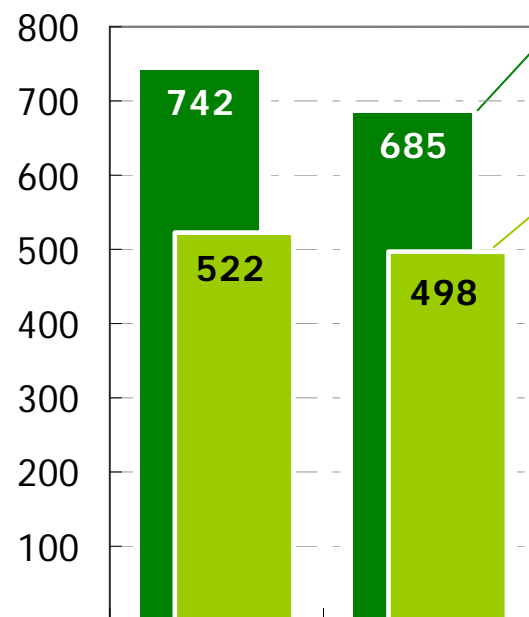
Sales volume : Million m3			FY2012	FY2013	change
Net sales : Million ¥			1H (a)	1H (a)	1H
Natural gas:	Sales volume	million M3	742	685	(56)
	Net sales	million ¥	31,170	30,054	(1,115)
Of which, Domestically produced gas:	Sales volume	million M3	522	498	(24)

- Decrease in demand for industrial users
- Rise in sales prices

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

Natural gas
(supplied by gas pipeline)

Million M3



Sales volume (total)

Of which, domestically produced gas

Sales volume decreased by ¥56 million M3 (-7%) vs FY11

-Decrease in demand for industrial users

Net sales decreased by ¥1.1 billion (-3%) vs FY11

-Decrease in demand for industrial users

-Rise in sales prices

FY12 (a)

FY13 (a)

Actual sales of crude oil in 1H FY2013

Sales volume : Thousand KL Net sales : Million ¥		FY2012 1H(a)	FY2013 1H(a)	change
Crude oil:	Sales volume	896	920	24
	Net sales	46,649	46,463	(186)

Increase in purchased crude oil.

Breakdown of equity oil

Domestically produced crude oil:	Sales volume	239	240	0
	Net sales	13,925	14,291	365
Overseas subsidiary crude oil:	Sales volume	1	1	(0)
	Net sales	84	61	(22)
Bitumen:	Sales volume	175	187	12
	Net sales	4,207	4,708	501

-Rise in crude oil prices

-Decrease in sales volume

-Rise in bitumen price

Oil price and Exchange rate assumptions

JCC price	USD/bbl	112.38	116.16	3.78
Exchange rate	Yen/USD	81.07	80.35	(0.72)
Bitumen price	CAD/bbl	45.70	52.02	6.32
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. Sales volume and net sales of "Overseas subsidiary crude oil" stated herein are amounts of Japex (U.S.) Corp., an overseas consolidated subsidiary.

Actual financial results for 1H FY2013 (vs FY2012)

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

[Million ¥]	FY2013 1H (a)	FY2013 1H(a)			change
		before impairment loss	impairment loss	total	
Net sales	104,596	105,958	—	105,958	1,362
Gross profit	25,338	23,638	—	23,638	(1,700)
Exploration expenses	4,043	7,316	—	7,316	3,272
SG&A expenses	15,075	14,542	—	14,542	(532)
Operating income	6,219	1,778	—	1,778	(4,441)
Non-operating income (expenses)	1,668	1,241	42	1,284	(384)
Ordinary income	7,887	3,020	42	3,062	(4,825)
Extraordinary income (losses)	(42)	2,258	(37,031)	(34,773)	(34,730)
Income taxes	1,277	118	(7,890)	(7,772)	(9,049)
Minority interests in income	235	495	—	495	259
Net income	6,333	4,665	(29,098)	(24,433)	(30,766)

Gross profit

Domestic crude oil and natural gas	-¥2.8 billion
LNG substitution expense	- ¥1.8 billion
Transportation fee of natural gas	+ ¥2.4 billion
Overseas consolidated subsidiaries	+ ¥0.7 billion

Exploration expenses

Domestic exploration	- ¥2.2 billion
Overseas exploration	- ¥1.0 billion

Non-operating income (expenses)

Dividends income	-¥0.5 billion
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Extraordinary income (losses)

Gain on transfer of mining rights	+ ¥2.4 billion
Impairment loss for the business assets for production operation of Yufutsu oil & gas field	- ¥37 billion

Revised estimates for FY2013 (Summary)

[Billion ¥]	FY2013 (e)		
	Initial estimate (May11 '12)	Revised estimate (Oct.26 '12)	change
Net Sales	214.7	222.2	7.5
Operating income	10.0	10.3	0.3
Ordinary income	16.8	18.9	2.0
Net income	16.5	(11.6)	(28.2)
JCC price USD/bbl	100.00	112.08	12.08
Exchange rate Yen/USD	80.00	80.19	0.19
Bitumen price CAD/bbl	52.91	48.76	(4.15)
Exchange rate Yen/CAD	80.00	80.00	-

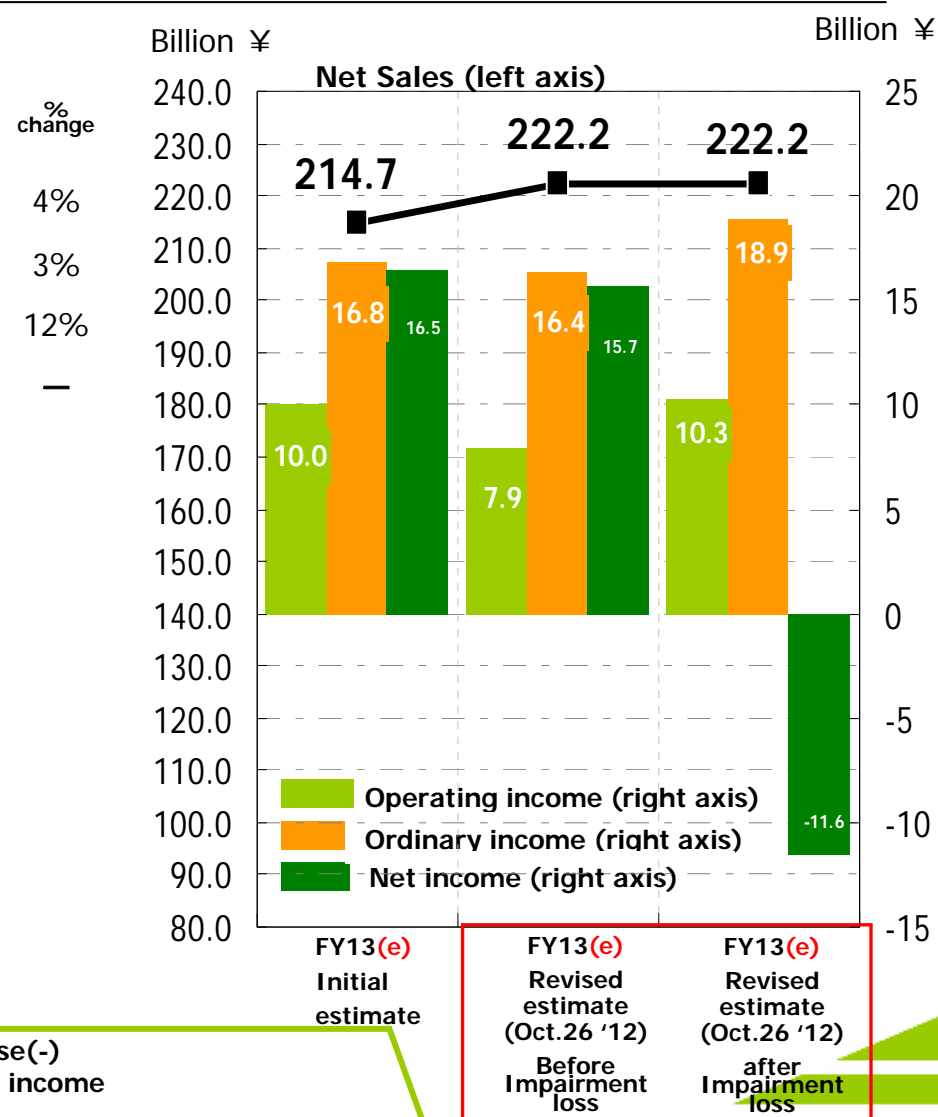
	1Q (a)	2Q (a)	3Q (e)	4Q (e)
JCC price USD/bbl	124.11	106.79	115.00	100.00
Bitumen price CAD/bbl	54.22	49.57	45.29	

Main points of revised estimate : causes of increase(+) or decrease(-)

<Cause of increase> - Rise in sales price - Increase in dividend income

<Cause of decrease>

- Downward revision of the production and sales plan for natural gas
- Impairment loss for the business assets for production operation of Yufutsu oil & gas field

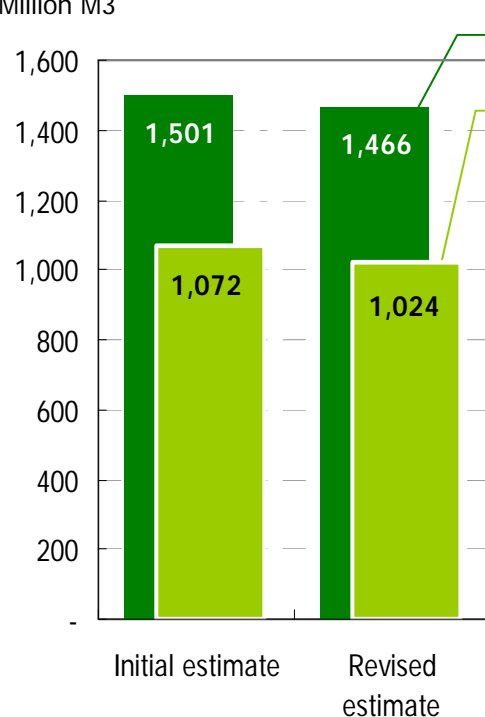


Revised estimated natural gas sales in FY2013 (vs Initial estimate)

Sales volume : Million M3 Net sales : Million ¥		Initial estimate (May11 '12)		Revised estimate (Oct.26 '12)		change	
		1H (e)	Full (e)	1H (a)	Full (e)	1H	Full
Natural gas :	Sales volume	698	1,501	685	1,466	(12)	(35)
	Net sales	31,385	67,225	30,054	68,406	(1,330)	1,181
Of which, Domestically produced gas :	Sales volume	519	1,072	498	1,024	(21)	(48)

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

Million M3



Sales volume (total)

Of which, domestically produced gas

Sales volume decreased by 35 million M3 (-2%) vs initial estimate.

-Downward revision of the production and sales plan for natural gas

Net sales increased by ¥ 1.1 billion (+2%) vs initial estimate.

<Cause of decrease>

-Downward revision of the production and sales plan for natural gas

<Cause of increase >

-Rise in sales prices

Revised estimated crude oil sales in FY2013 (vs Initial estimate)

Sales volume : Thousand KL Net sales : Million ¥		Initial estimate (May11 '12)		Revised estimate (Oct.26 '12)		change	
		1H (e)	Full (e)	1H (a)	Full (e)	1H	Full
Crude oil :	Sales volume	804	1,764	920	1,689	+116	(75)
	Net sales	37,577	81,604	46,463	83,473	8,886	1,869
Breakdown of equity oil							
Domestically produced crude oil :	Sales volume	251	489	240	452	(10)	(37)
	Net sales	12,920	25,146	14,291	25,902	1,371	756
Overseas subsidiary crude oil :	Sales volume	1	2	1	5	1	3
	Net sales	48	91	61	271	14	180
Bitumen :	Sales volume	173	380	187	362	14	(18)
	Net sales	4,705	10,103	4,708	8,917	3	(1,187)
Oil price and Exchange rate assumptions							
JCC price	USD/bbl	100.00	100.00	116.16	112.08	16.16	12.08
Exchange rate	Yen/USD	80.00	80.00	80.35	80.19	0.35	0.19
Bitumen price	CAD/bbl	54.12	52.91	52.02	48.76	(2.10)	(4.15)
Exchange rate	Yen/CAD	80.00	80.00	76.77	80.00	(3.23)	-

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

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 FY2013 (vs Initial estimate)

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

[Million ¥]	FY2013 (e)	FY2013(e) Revised estimate (Oct.26 '12)			change
	Initial estimate (May11 '12)	before impairment loss	impairment loss	total	
Net sales	214,653	222,228	-	222,228	7,575
Gross profit	54,865	53,160	2,235	55,395	530
Exploration expenses	13,896	13,469	-	13,469	(427)
SG&A expenses	30,966	31,460	162	31,622	656
Operating income	10,003	7,907	2,397	10,304	301
Non-operating income (expenses)	6,816	8,512	39	8,551	1,735
Ordinary income	16,819	16,419	2,436	18,855	2,036
Extraordinary income (losses)	2,378	2,281	(37,031)	(34,750)	(37,128)
Income taxes	1,969	2,224	(7,216)	(4,992)	(6,961)
Minority interests in income	702	727	-	727	25
Net income	16,526	15,749	(27,380)	(11,630)	(28,156)

Gross profit

Domestic crude oil and natural gas	+0.4 billion
LNG substitution expense	- ¥0.5 billion
Transportation fee of natural gas	+ ¥0.8 billion
Overseas consolidated subsidiaries	- ¥0.4 billion

Exploration expenses

Domestic exploration	+ ¥0.9 billion
Overseas exploration	- ¥0.5 billion

Non-operating income (expenses)

Dividends income	+¥1.8 billion
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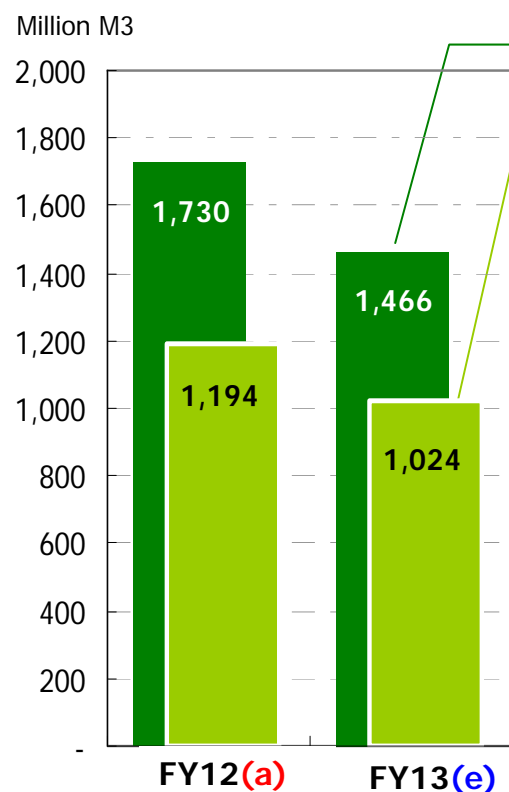
Extraordinary income (losses)

Impairment loss for the business assets for production operation of Yufutsu oil & gas field	- ¥37 billion
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Revised estimated natural gas sales in FY2013 (vs FY2012)

Sales volume : Million M3 Net sales : Million ¥		FY2012	FY2013 Revised estimate (Oct.26 '12)			change (vs FY2012)
		Full (a)	1H (a)	2H (e)	Full (e)	
Natural gas:	Sales volume	1,730	685	781	1,466	(264)
	Net sales	74,957	30,054	38,352	68,406	(6,552)
Of which, Domestically produced gas:	Sales volume	1,194	498	526	1,024	(171)

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 264 million M3 (-15%) vs FY2012.

- Downward revision of the production and sales plan for natural gas
- Decrease in demand for industrial users

Net sales decreased by ¥ 6.5 billion (-9%) vs FY2012.

<Cause of decrease >

- Downward revision of the production and sales plan for natural gas

<Cause of increase >

- Rise in sales prices

Revised estimated crude oil sales in FY2013 (vs FY2012)

		FY12	FY13 Revised estimate (Oct.26 '12)			change
		Full (a)	1H (a)	2H (e)	Full (e)	(vs FY12)
Sales volume : Thousand KL						
Net sales : Million ¥						
Crude oil:	Sales volume	1,778	920	769	1,689	(90)
	Net sales	89,891	46,463	37,010	83,473	(6,419)

Breakdown of equity oil

Domestically produced crude oil:	Sales volume	529	240	211	452	(77)
	Net sales	30,351	14,291	11,611	25,902	(4,449)
Overseas subsidiary crude oil:	Sales volume	2	1	4	5	3
	Net sales	128	61	210	271	143
Bitumen:	Sales volume	382	187	174	362	(21)
	Net sales	9,137	4,708	4,208	8,917	(221)

Oil price and Exchange rate assumptions

JCC price	USD/bbl	112.43	116.16	107.48	112.08	(0.35)
Exchange rate	Yen/USD	78.93	80.35	80.00	80.19	1.26
Bitumen price	CAD/bbl	49.81	52.02	45.29	48.76	(1.05)
Exchange rate	Yen/CAD	76.22	76.77	80.00	80.00	3.78

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

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 FY2013 (vs FY2012)

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

[Million ¥]	FY2012 (a)	FY2013 (e) Revised estimate (Oct.26 '12)			change
		before impairment loss	impairment loss	total	
Net sales	230,638	222,228	-	222,228	(8,410)
Gross profit	56,278	53,160	2,235	55,395	(883)
Exploration expenses	7,805	13,469	-	13,469	5,663
SG&A expenses	33,426	31,460	162	31,622	(1,805)
Operating income	15,045	7,907	2,397	10,304	(4,742)
Non-operating income (expenses)	7,114	8,512	39	8,551	1,437
Ordinary income	22,159	16,419	2,436	18,855	(3,305)
Extraordinary income (losses)	311	2,281	(37,031)	(34,750)	(35,061)
Income taxes	4,746	2,224	(7,216)	(4,992)	(9,739)
Minority interests in income	696	727	-	727	30
Net income	17,027	15,749	(27,380)	(11,630)	(28,657)

Gross profit

Domestic crude oil and natural gas	-¥3.5 billion
LNG substitution expense	- ¥0.3 billion
Transportation fee of natural gas	+ ¥3.0 billion
Overseas consolidated subsidiaries	- ¥0.1 billion

Exploration expenses

Domestic exploration	- ¥3.3 billion
Overseas exploration	- ¥2.3 billion

Non-operating income (expenses)

Dividends income	+¥1.3 billion
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Extraordinary income (losses)

Gain on transfer of mining rights	+ ¥2.6 billion
Impairment loss for the business assets for production operation of Yufutsu oil & gas field	- ¥37 billion

Crude oil price and exchange rate assumptions and impact on profits [3Q-4Q]

		FY2012			FY2013				
		1H (a)	2H (a)	Full (a)	1Q (a)	2Q (a)	3Q (e)	4Q (e)	1-4Q (e)
JCC price	USD/bbl	112.38	112.48	112.43	124.11	106.79	115.00	100.00	112.08
Exchange rate	Yen / USD	81.07	77.17	78.93	81.26	79.11	80.00		80.19
Bitumen price	CAD/bbl	45.70	53.30	49.81	54.22	49.57	46.22	44.64	48.76
Exchange rate	Yen /CAD	83.38	76.22	76.22	82.52	76.77	79.14	80.00	80.00

Assumption [3Q-4Q]	JCC price USD 107.48 /bbl	Exchange rate Yen 80 /USD	Bitumen price [4Q] CAD 44.64 /bbl (Yen 80 /CAD)
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Impact on Profits [3Q-4Q]	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	130 million Yen	270 million Yen	(9.2 billion CAD) 70 million Yen
Net income	90 million Yen	260 million Yen	(8.1 billion CAD) 60 million Yen

Note: 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.