



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

**Consolidated financial results  
for the nine months ended December 31 , 2012  
<Supplementary material>**

**February 8 , 2013**

Japan Petroleum Exploration Co., Ltd.

## Cautionary statement

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Any information contained herein with respect to JAPEX's plans, estimates, strategies and other statements that are not historical facts are forward-looking statements about the future performance of JAPEX. Readers should be aware that actual results and events may differ substantially from these projections due to various factors.

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

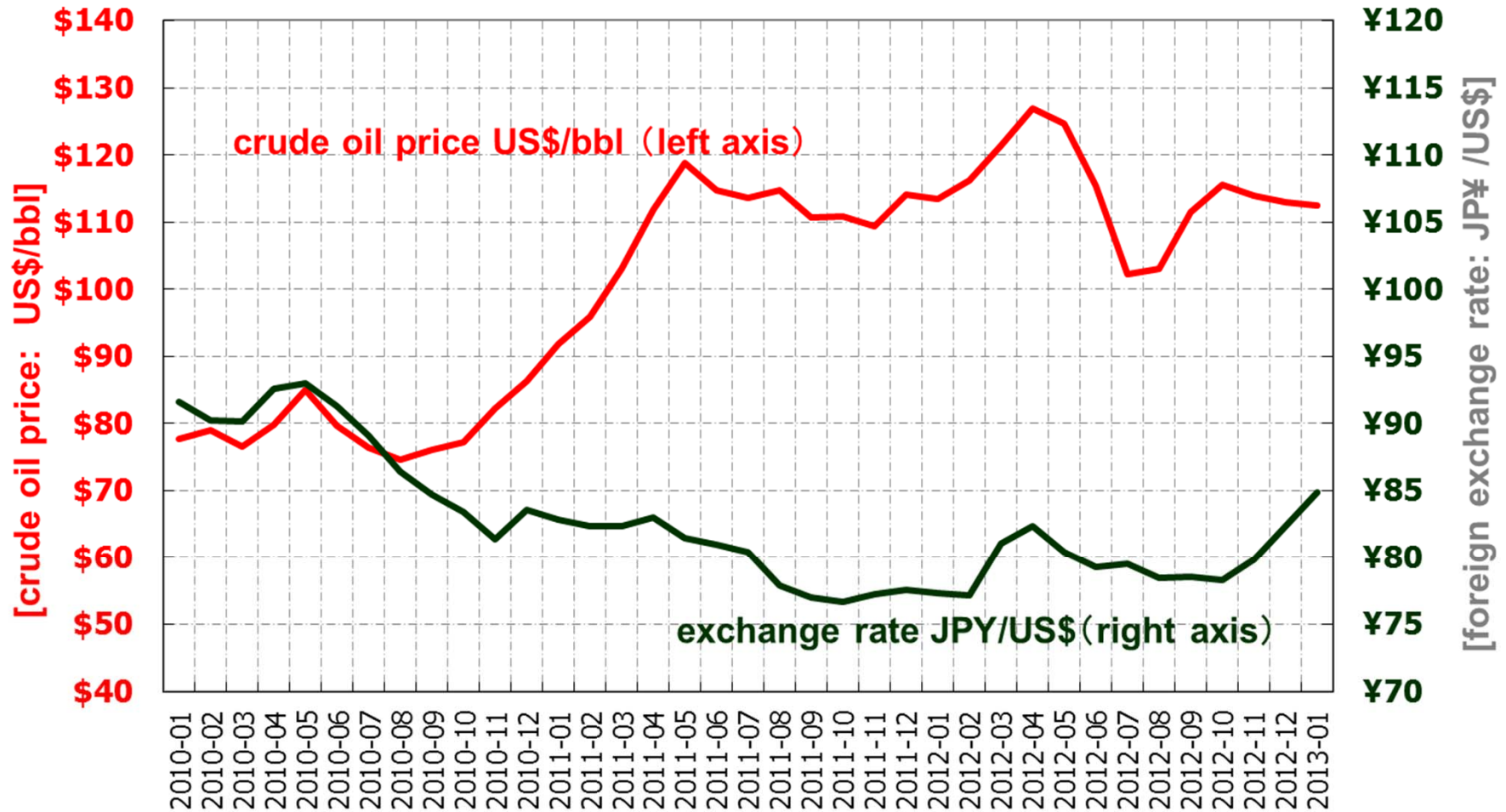
(a) = actual result

(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 January 2013

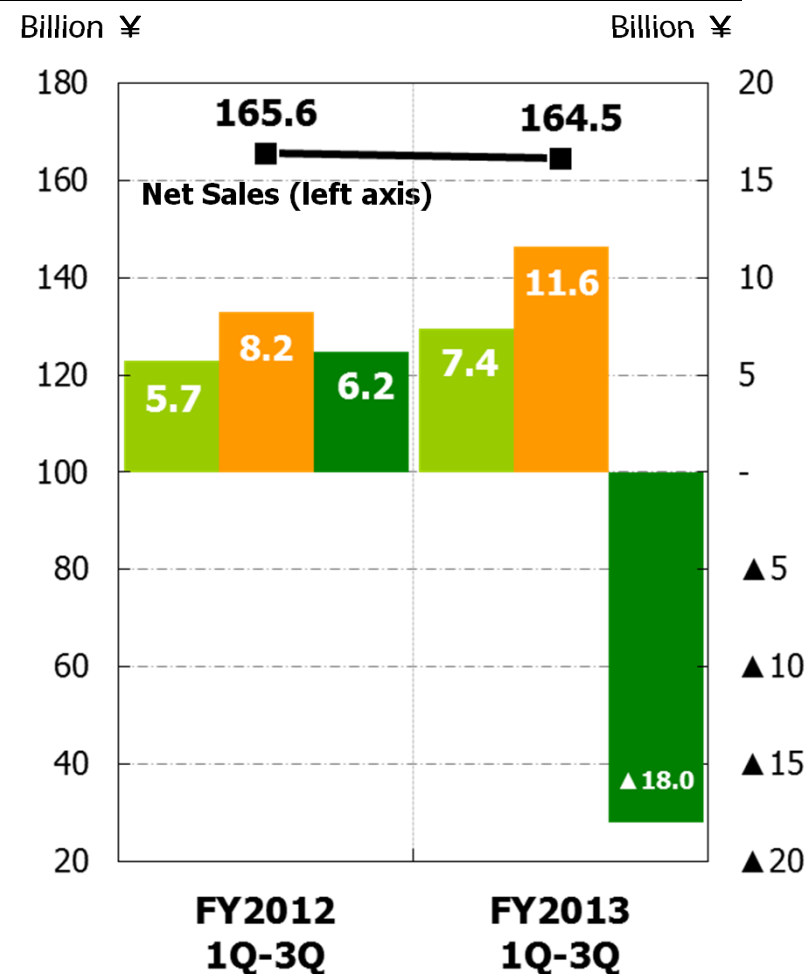
on a prompt report basis : **USD 112.48/bbl**

**JPY 84.84/USD**



## Actual results for 1Q-3Q FY2013 (Summary)

[ Billion ¥ ]	FY2012 1Q-3Q (a)	FY2013 1Q-3Q (a)	change	% Change
Net sales	165.6	164.5	(1.1)	(1%)
Operating income	5.7	7.4	+1.7	30%
Ordinary income	8.2	11.6	+3.3	41%
Net income	6.2	(18.0)	(24.3)	−%
JCC price USD/bbl	111.59	115.36	+3.77	
Exchange rate Yen/USD	79.57	79.93	+0.36	
Bitumen price CAD/bbl	47.95	51.05	+3.10	
Exchange rate Yen/CAD	73.97	79.14	+13.08	



### Main points of difference with FY2012 :

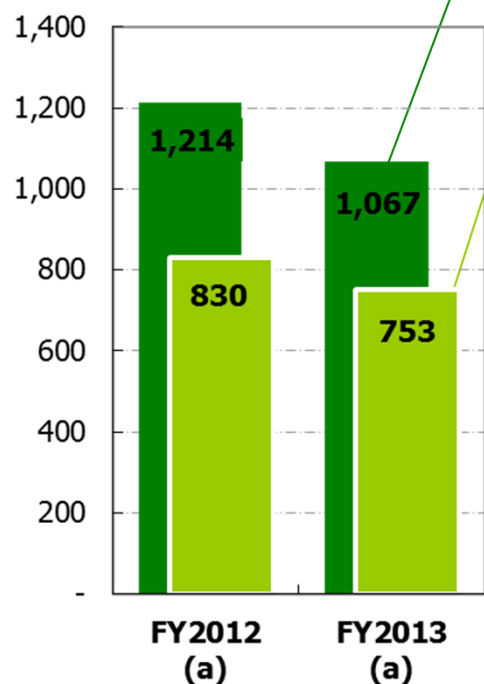
- ✓ **Operating income +¥ 1.7billion**  
→ Gross profit +¥4.1billion    Exploration expenses -¥3.4billion
- ✓ **Ordinary income +¥ 3.3billion**  
→ Foreign exchange gains/losses +¥0.9billion
- ✓ **Net income -¥24.3billion**  
→ Impairment loss -¥37billion

## Actual sales of Natural gas in 1Q-3Q FY2013

Sales volume : Million M3 Net sales : Million ¥		FY2012 1Q-3Q (a)	FY2013 1Q-3Q (a)	change
Natural gas :	Sales volume	1,214	1,067	(147)
	Net sales	52,082	47,377	(4,704)
Of which, Domestically produced gas :	Sales volume	830	753	(77)

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 147million M3 (-12%) vs FY12.**

-Decrease in demand for industrial users.

**Net sales decreased by ¥ 4.7 billion (-9%) vs FY12.**

- Increase in natural gas sales prices made up a part of the decrease in net sales caused by a 147 million M3 volume decrease (-12%).

## Actual sales of Crude oil in 1Q-3Q FY2013

Sales volume : Thousand KL Net sales : Million ¥		FY2012 1Q-3Q (a)	FY2013 1Q-3Q (a)	change
Crude oil:	Sales volume	<b>1,402</b>	<b>1,351</b>	<b>(51)</b>
	Net sales	<b>70,689</b>	<b>69,227</b>	<b>(1,462)</b>

-Decrease in production volume

### Breakdown of equity oil

Domestically produced crude oil:	Sales volume	<b>381</b>	<b>349</b>	<b>(32)</b>
	Net sales	<b>21,655</b>	<b>20,559</b>	<b>(1,095)</b>
Overseas subsidiary crude oil:	Sales volume	<b>2</b>	<b>2</b>	<b>+0</b>
	Net sales	<b>99</b>	<b>121</b>	<b>+21</b>
Bitumen:	Sales volume	<b>281</b>	<b>262</b>	<b>(18)</b>
	Net sales	<b>6,274</b>	<b>6,663</b>	<b>+389</b>

-Decrease in production volume

- Rise in bitumen price.

### Oil price and Exchange rate assumptions

JCC price	USD/bbl	<b>111.59</b>	<b>115.36</b>	<b>+3.77</b>
Exchange rate	Yen/USD	<b>79.57</b>	<b>79.93</b>	<b>+0.36</b>
Bitumen price	CAD/bbl	<b>47.95</b>	<b>51.05</b>	<b>+3.10</b>
Exchange rate	Yen/CAD	<b>73.97</b>	<b>79.14</b>	<b>+5.17</b>

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.

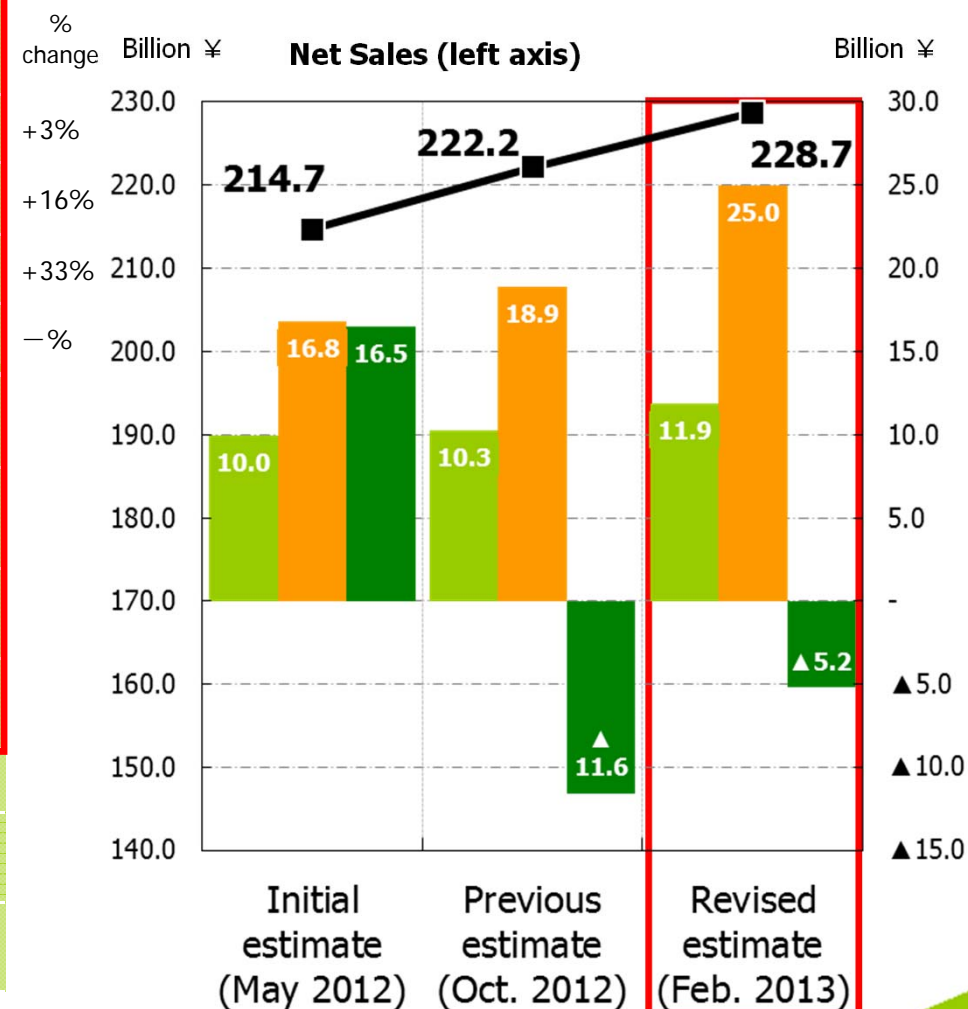
Sales volume and Net sales of "Overseas subsidiary crude oil" stated herein are amounts of Japex (U.S.) Corp., an overseas consolidated subsidiary.





## Revised estimates for FY2013 (Summary)

[ Billion ¥]	Initial estimate (May '12)	Previous estimate (Oct. 2012)	Revised estimate (Feb.2013)	change
Net Sales	214.7	222.2	228.7	+6.5
Operating income	10.0	10.3	11.9	+1.6
Ordinary income	16.8	18.9	25.0	+6.2
Net income	16.5	(11.6)	(5.2)	+6.5
JCC price USD/bbl	100.00	112.08	113.99	+1.91
Exchange rate Yen/USD	80.00	80.19	81.18	+0.98
Bitumen price CAD/bbl	52.91	48.76	50.69	+1.93
Exchange rate Yen/CAD	80.00	80.00	87.05	+7.05
	1Q (a)	2Q (a)	3Q (a)	4Q (e)
JCC price USD/bbl	124.11	106.79	113.61	110.00
Bitumen price CAD/bbl	54.22	49.57	48.61	49.62



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

- ✓ **Operating income** +¥1.6 billion (+16%) → Rise in crude oil prices
- ✓ **Ordinary income** +¥6.2 billion (+33%) → Increase in dividends income
- ✓ **Net income** +¥6.5 billion (-)

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

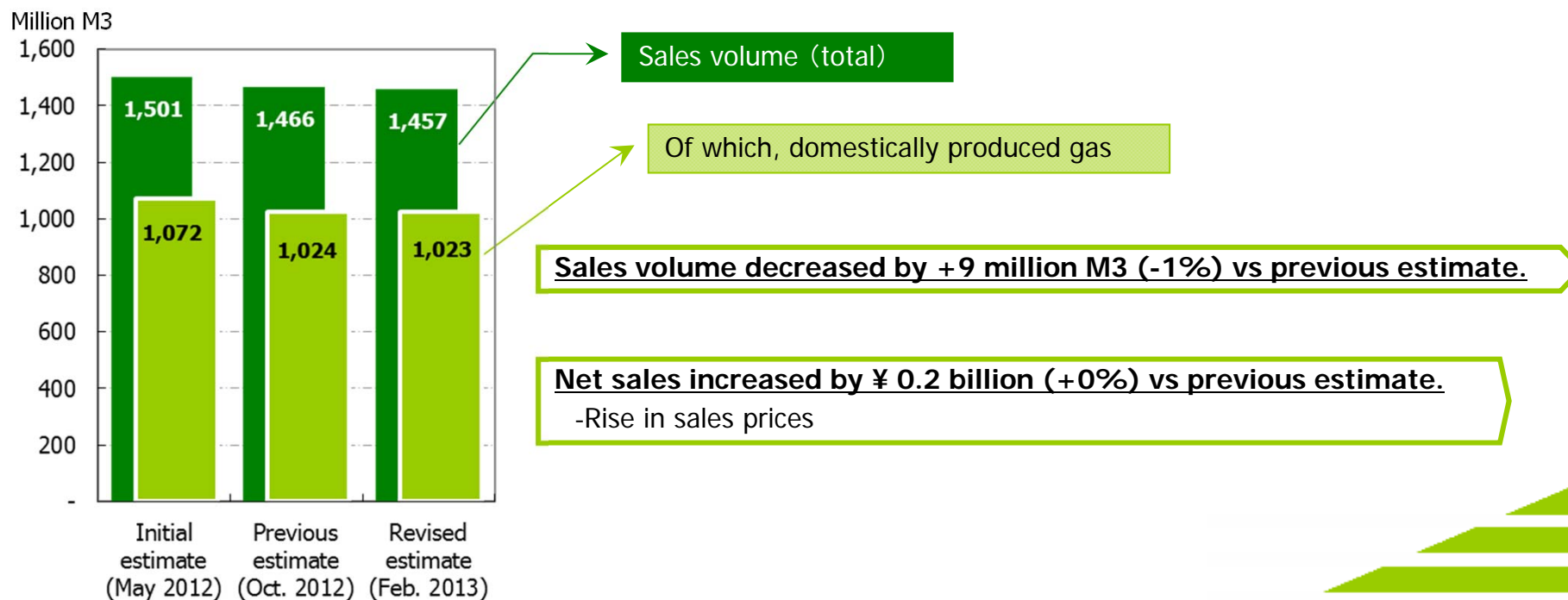




## Revised estimated Natural gas sales in FY2013 ( vs previous estimate)

Sales volume : Million M3 Net sales : Million ¥		Initial estimate (May 2012)	Previous estimate (Oct. 2012)	Revised estimate (Feb. 2013)	change
Natural gas :	Sales volume	1,501	1,466	1,457	(9)
	Net sales	67,225	68,406	68,617	+211
Of which, Domestically produced gas :	Sales volume	1,072	1,024	1,023	(1)

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



## Revised estimated Crude oil sales in FY2013 ( vs previous estimate)

Sales volume : Thousand KL Net sales : Million ¥		Initial estimate (May 2012)	Previous estimate (Oct.2012)	Revised estimate (Feb. 2013)	change
Crude oil :	Sales volume	<b>1,764</b>	<b>1,689</b>	<b>1,686</b>	<b>(3)</b>
	Net sales	<b>81,604</b>	<b>83,473</b>	<b>87,118</b>	<b>+3,645</b>
<b>Breakdown of equity oil</b>					
Domestically produced crude oil :	Sales volume	<b>489</b>	<b>452</b>	<b>467</b>	<b>+16</b>
	Net sales	<b>25,146</b>	<b>25,902</b>	<b>27,630</b>	<b>+1,728</b>
Overseas subsidiary crude oil :	Sales volume	<b>2</b>	<b>5</b>	<b>6</b>	<b>+1</b>
	Net sales	<b>91</b>	<b>271</b>	<b>281</b>	<b>+10</b>
Bitumen :	Sales volume	<b>380</b>	<b>362</b>	<b>349</b>	<b>(12)</b>
	Net sales	<b>10,103</b>	<b>8,917</b>	<b>9,691</b>	<b>+775</b>
<b>Oil price and Exchange rate assumptions</b>					
JCC price	USD/bbl	<b>100.00</b>	<b>112.08</b>	<b>113.99</b>	<b>+1.91</b>
Exchange rate	Yen/USD	<b>80.00</b>	<b>80.19</b>	<b>81.18</b>	<b>+0.98</b>
Bitumen price	CAD/bbl	<b>52.91</b>	<b>48.76</b>	<b>50.69</b>	<b>+1.93</b>
Exchange rate	Yen/CAD	<b>80.00</b>	<b>80.00</b>	<b>87.05</b>	<b>+7.05</b>

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.

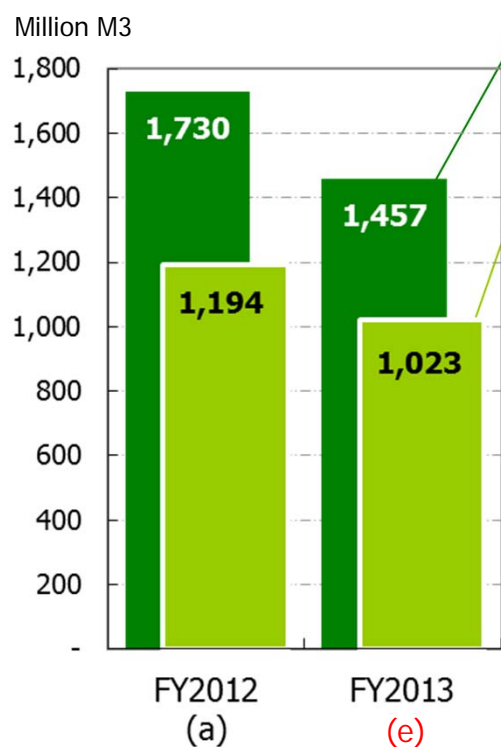
## Revised estimates for FY2013 ( vs previous estimate)

[ Million ¥]	Previous estimate (Oct. 2012)	Revised estimate (Feb. 2013)	change	« Causes of increase(+) or decrease(-) »
Net sales	222,228	228,749	+6,520	
Gross profit	55,395	58,388	+2,993	<b>Gross profit</b> Domestic crude oil and natural gas +¥2.8 billion Overseas consolidated subsidiaries +¥0.3 billion
Exploration expenses	13,469	13,071	(398)	<b>Exploration expenses</b> Domestic exploration + ¥0.2 billion Overseas exploration + ¥0.2 billion
SG&A expenses	31,622	33,393	+1,771	
Operating income	10,304	11,925	+1,621	
Non-operating income (expenses)	8,551	13,106	+4,555	<b>Non-operating income (expenses)</b> Dividends income +¥2.6 billion Foreign exchange profit or loss +¥0.9 billion Equity in earnings of affiliates +¥0.6 billion
Ordinary income	18,855	25,031	+6,176	
Extraordinary income (losses)	(34,750)	(34,476)	+274	
Income taxes	(4,992)	(5,419)	(427)	
Minority interests in income	727	1,126	+399	
Net income	(11,630)	(5,152)	+6,478	

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

Sales volume : Million M3 Net sales : Million ¥		FY2012	FY2013 Revised estimate (Feb. 2013)			change (vs FY2012)
		Full (a)	1Q-3Q(a)	4Q(e)	Full (e)	
Natural gas:	Sales volume	1,730	1,067	390	1,457	(273)
	Net sales	74,957	47,377	21,239	68,617	(6,340)
Of which, Domestically produced gas:	Sales volume	1,194	753	270	1,023	(171)

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



**Sales volume decreased by 273 million M3 (-16%) vs FY2012.**

- Decrease in demand for industrial users.
- Decrease in sales volume because of the decline in production volume.

**Net sales decreased by ¥ 6.3 billion (-8%) vs FY2012.**

- Increase in natural gas sales prices made up a part of the decrease in net sales caused by a 273 million M3 volume decrease (-16%).

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

Sales volume : Thousand KL		FY2012	FY2013 Revised estimate (Feb. 2013)			change (vs FY2012)
Net sales : Million ¥		Full (a)	1Q-3Q (a)	4Q (e)	Full (e)	
Crude oil:	Sales volume	<b>1,778</b>	<b>1,351</b>	<b>335</b>	<b>1,686</b>	<b>(92)</b>
	Net sales	<b>89,891</b>	<b>69,227</b>	<b>17,891</b>	<b>87,118</b>	<b>(2,774)</b>

### Breakdown of equity oil

Domestically produced crude oil:	Sales volume	<b>529</b>	<b>349</b>	<b>118</b>	<b>467</b>	<b>(62)</b>
	Net sales	<b>30,351</b>	<b>20,559</b>	<b>7,071</b>	<b>27,630</b>	<b>(2,271)</b>
Overseas subsidiary crude oil:	Sales volume	<b>2</b>	<b>2</b>	<b>3</b>	<b>6</b>	<b>+4</b>
	Net sales	<b>128</b>	<b>121</b>	<b>160</b>	<b>281</b>	<b>+153</b>
Bitumen:	Sales volume	<b>382</b>	<b>262</b>	<b>87</b>	<b>349</b>	<b>(33)</b>
	Net sales	<b>9,137</b>	<b>6,663</b>	<b>3,028</b>	<b>9,691</b>	<b>+554</b>

### Oil price and Exchange rate assumptions

JCC price	USD/bbl	<b>112.43</b>	<b>115.36</b>	<b>110.00</b>	<b>113.99</b>	<b>+1.56</b>
Exchange rate	Yen/USD	<b>78.93</b>	<b>79.93</b>	<b>85.00</b>	<b>81.18</b>	<b>+2.25</b>
Bitumen price	CAD/bbl	<b>49.81</b>	<b>51.05</b>	<b>49.62</b>	<b>50.69</b>	<b>+0.88</b>
Exchange rate	Yen/CAD	<b>76.22</b>	<b>79.14</b>	<b>87.05</b>	<b>87.05</b>	<b>+10.83</b>

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 FY2013 (vs FY2012)

[ Million ¥ ]	FY2012 (a)	FY2013 (e)	change
Net sales	230,638	228,749	(1,890)
Gross profit	56,278	58,388	+2,110
Exploration expenses	7,805	13,071	+5,265
SG&A expenses	33,426	33,393	(34)
Operating income	15,045	11,925	(3,121)
Non-operating income (expenses)	7,114	13,106	+5,992
Ordinary income	22,159	25,031	+2,871
Extraordinary income (losses)	311	(34,476)	(34,787)
Income taxes	4,746	(5,419)	(10,166)
Minority interests in income	696	1,126	+429
Net income	17,027	(5,152)	(22,179)

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

### Gross profit

Domestic crude oil and natural gas	-¥0.8 billion
LNG substitution expense	- ¥0.5 billion
Receipt of transportation fee of natural gas	+ ¥3.3 billion
Overseas consolidated subsidiaries	+ ¥0.1 billion

### Exploration expenses

Domestic exploration	- ¥3.2 billion
Overseas exploration	- ¥2.1 billion

### Non-operating income (expenses)

Dividends income	+¥4.0 billion
Foreign exchange profit or loss	+¥0.8 billion
Equity in earnings of affiliates	+¥0.6 billion

### Extraordinary income (losses)

Gain on transfer of mining rights	+ ¥2.8 billion
Impairment loss for the business assets for production operation of Yufutsu oil & gas field	- ¥37 billion