



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

Presentation of Consolidated Financial Results for the Fiscal Year Ended March 31, 2013

May 13 , 2013

Japan Petroleum Exploration Co., Ltd.

Cautionary statement

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:

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

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

(a) = Actual result

(e) = Estimate

FY =Fiscal Year (FY2013, for instance, means 12 months ended March31, 2013)

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Business Overview

President

Osamu Watanabe

Corporate Vision and Basic Strategies for JAPEX Expansion

While positioning **E&P business** at the Company's main activities, endeavor to increase business opportunities by shifting E&P activities overseas and pursuing new investment in domestic natural gas as well as environment and innovative technology as the means to help realize business expansion.

E&P business

Maximize the value of existing overseas assets

Maximize the value of existing domestic assets

Phase 1

Shift to overseas investment

Phase 2

Increase production volume

Phase 3

Sustain and increase reserves

E&P: exploration and Production

Domestic natural gas business

Cultivating natural gas demand
Engage in wide-ranging activities including the upgrade of infrastructure

Environment & innovative technology business

Accelerate large-scale project activities (CCS, MH)
Cultivate new fields including renewable energy

Current Status of Domestic E&P Business and Reinforcement of Domestic Business

Though JAPEX posted an impairment loss of 37 billion yen in extraordinary loss for business assets of Yufutsu oil and gas field, net loss became smaller with rise in crude oil and natural gas sales price.

To maximize the value of its domestic business, we aim to build stable cash flows with reducing operating costs, pursuing exploration and development potential in Hokkaido and increasing natural gas sales and securing stable supply.

Actual results for FY2013 (Highlight)

[Million JPY]	FY2012 (a)	FY2013	
		Revised (Oct.2012) (e)	(a)
Net Sales	230,638	222,228	231,086
Operating Income	15,045	10,304	13,906
Ordinary Income	22,159	18,855	28,082
Net Income	17,027	(11,630)	(865)

FY2013: Rise in crude oil and natural gas sales price made up major part of the impairment loss of 37 billion yen.

Maximize the value of its domestic business

- Reducing operating costs
- Pursue exploration and development potential in Hokkaido
- Increasing natural gas sales and securing stable supply



Realizing the business strategy
by building stable cash flows

Domestic exploration plan for FY2014

● Extension well drilling schedule for FY 2014

	Total Depth	1Q			2Q			3Q			4Q		
		4	5	6	7	8	9	10	11	12	1	2	3
Katakai SK-30D Katakai SK-30D-1	5,040 m 5,395 m	■											
Akebono Loc.A6H	5,800 m							■					
Iwafuneoki East Loc.Q	3,600 m			■									

■ Geophysical prospecting survey plan : 2 sites

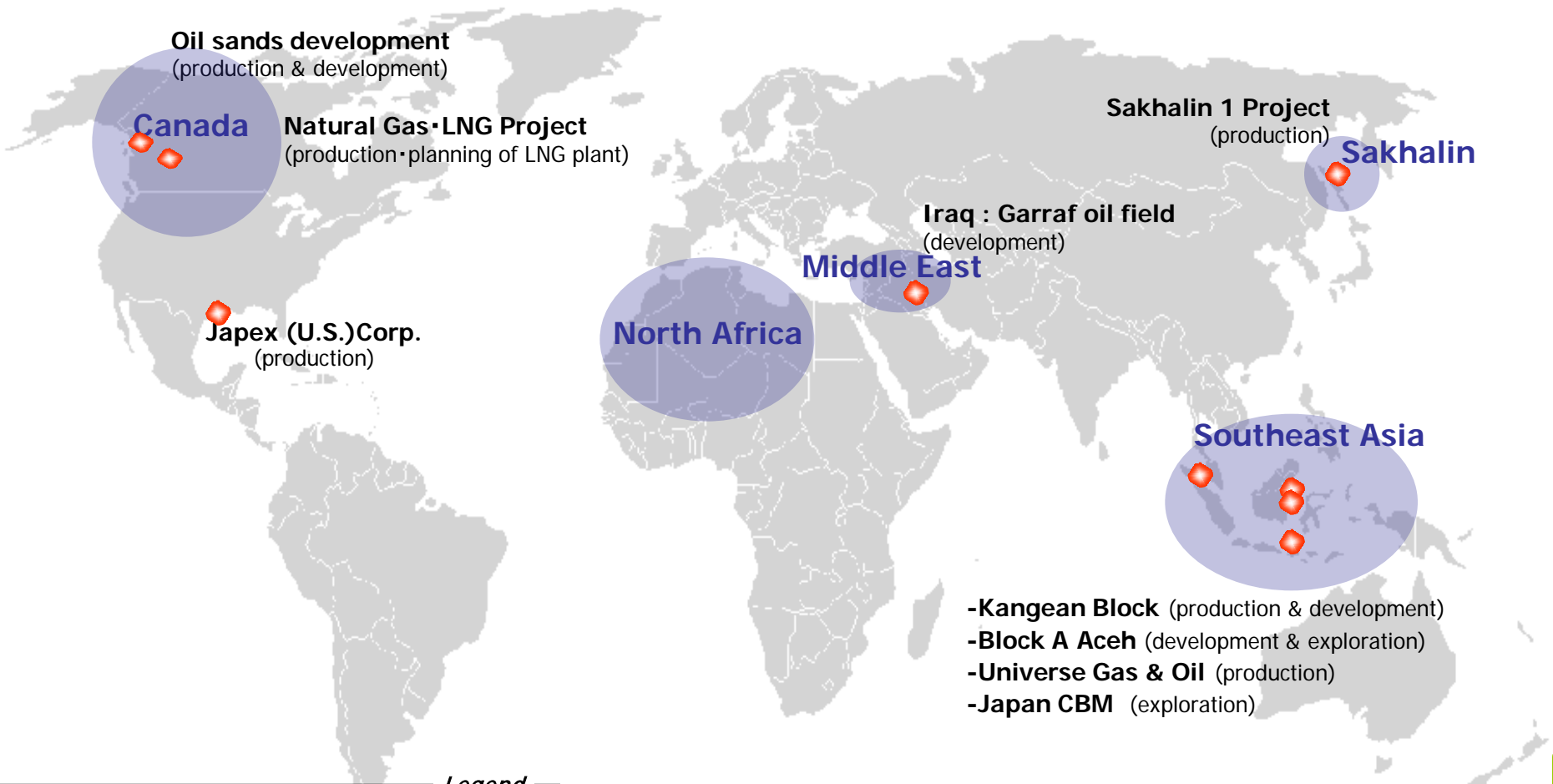
2D seismic survey	31km in Niigata Prefecture (Niigata plains)
2D seismic survey	100km in Niigata Prefecture (Uonuma)

● Result for FY 2013

	Total Depth	1Q			2Q			3Q			4Q			
		4	5	6	7	8	9	10	11	12	1	2	3	
Numanohata (T1) East SK-3DH	2,275 m	■												Succeeded
Akebono (T1) SK-2D-1H	2,050 m										■			Succeeded
Katakai SK-29D Katakai SK-29D-1	4,900 m 4,940 m	■												Succeeded
Katakai SK-30D Katakai SK-30D-1	5,040 m 5,395 m							■						Continued



Overseas business : Basic strategy



Legend



5 Strategic regions



Blocks in which our consolidated subsidiaries, equity-method affiliates hold interest.

Current status of overseas business ① Indonesia: Kangean Block

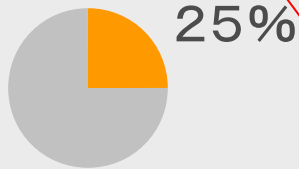


Project Companies

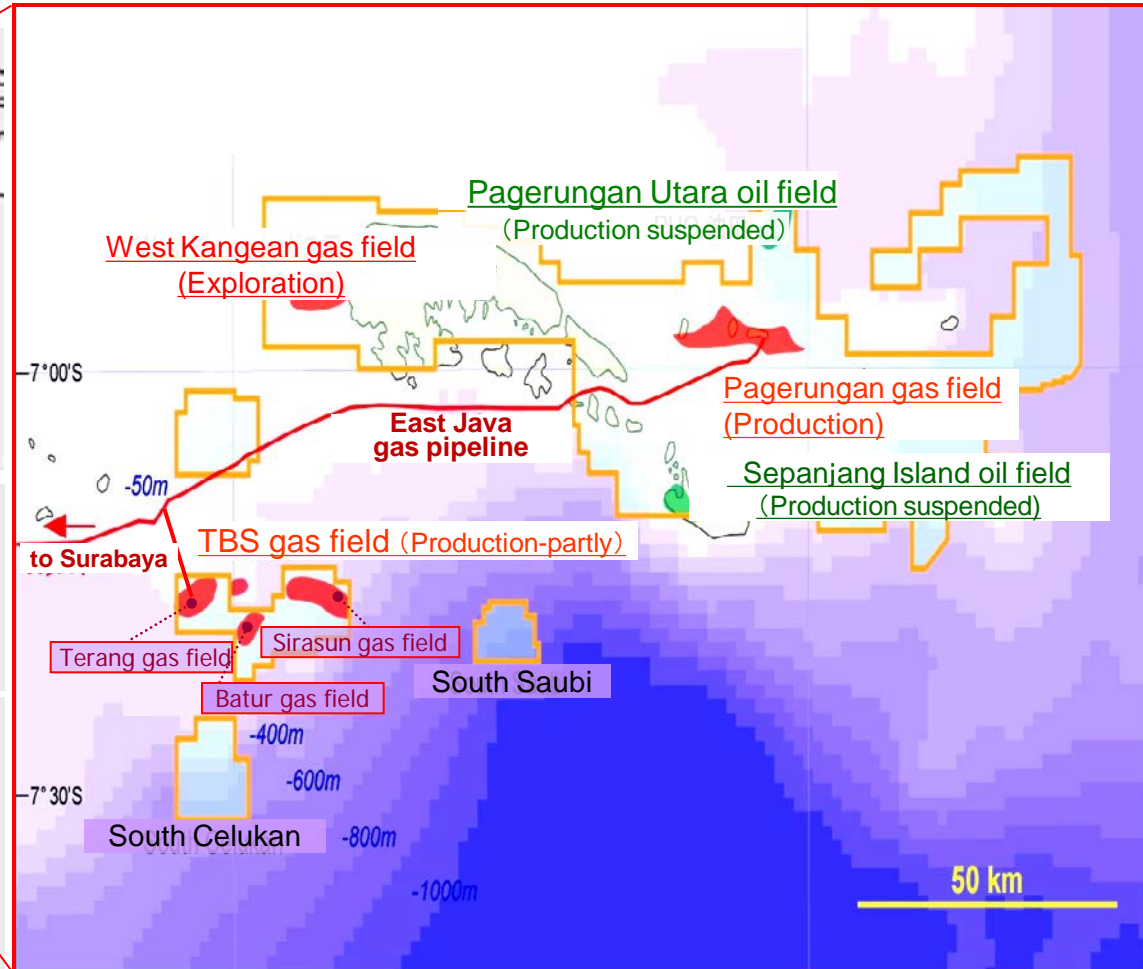
Kangean Energy Indonesia Ltd. (KEI)

+ 2 other equity-method affiliates

Interest



Operator: KEI



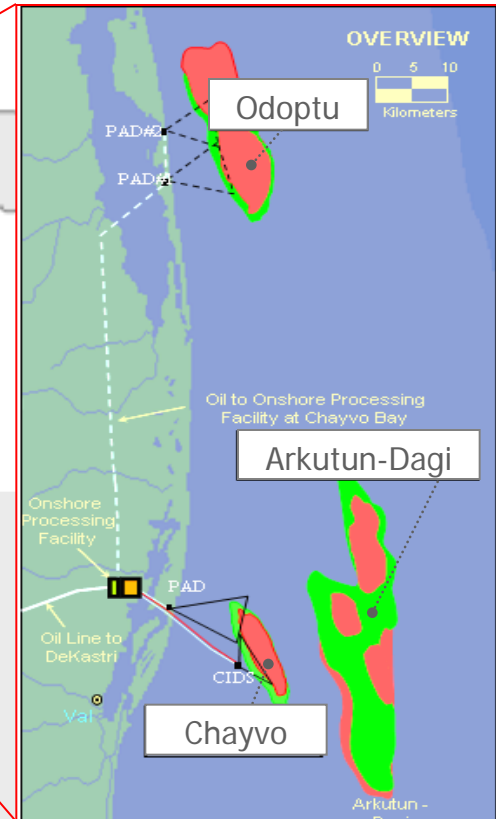
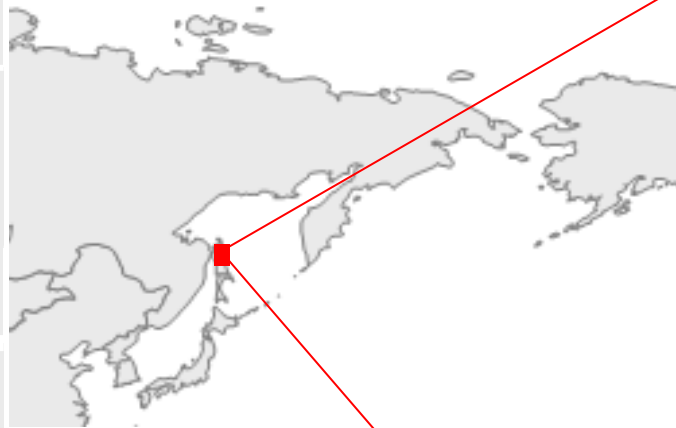
■ Current gross production : Crude oil equivalent of around **50,000 boe/d**

- TSB gas field (Phase1) *Terang*: Commenced production in end-May 2012.
Maximum production 0.3billion cf/d (around 50,000 boe/d in crude oil equivalent)
- (Phase2) *Sirasun, Batur* : Preparing for development

Current status of overseas business ② Sakhalin 1 Project

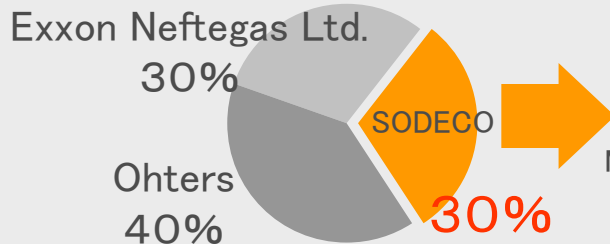
Project company

Sakhalin Oil and Gas Development Co., Ltd.
(SODECO)

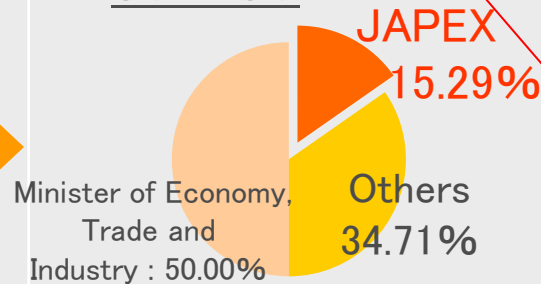


Interest

Sakhalin 1 Consortium



SODECO



Block


Chayvo, Odoptu : Production

(Total production of Crude Oil : Around 120,000 bbl/d*)

*(Sakhalin 1 project total for FY2013. JAPEX estimates.)

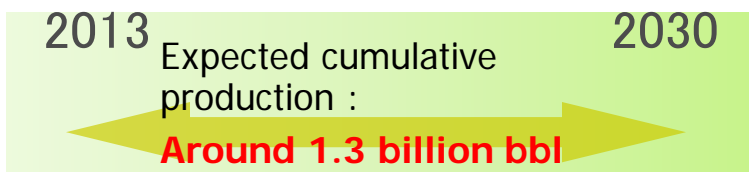
Arkutun-Dagi : Developing toward production of Crude Oil (Target year : 2014)

Current status of overseas business ③ Iraq

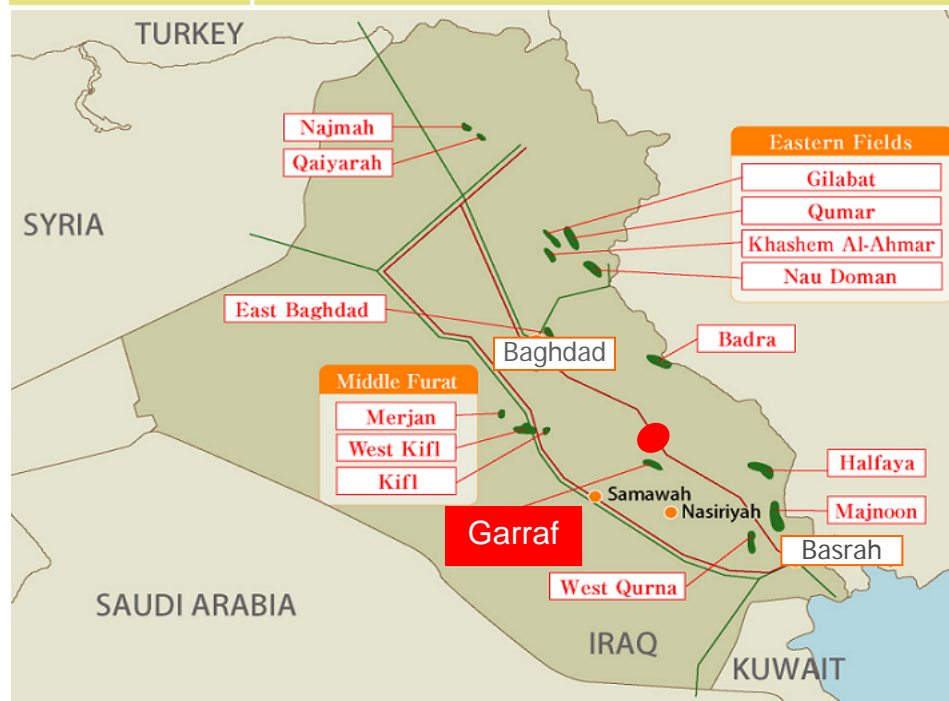
Project company	Japex Garraf Ltd	
Interest	 30% (cost share 40%) Operator : PETRONAS	
Field	Garraf	Developing

Time Schedule

2013	First Oil to produce at a minimum of 35,000 bbl/d and thereafter progressively increase the production levels to 60,000 bbl/d
2014~2016	Increase production gradually
2017	Achieve plateau production target of 230,000 bbl/d



Garraf Production Facility

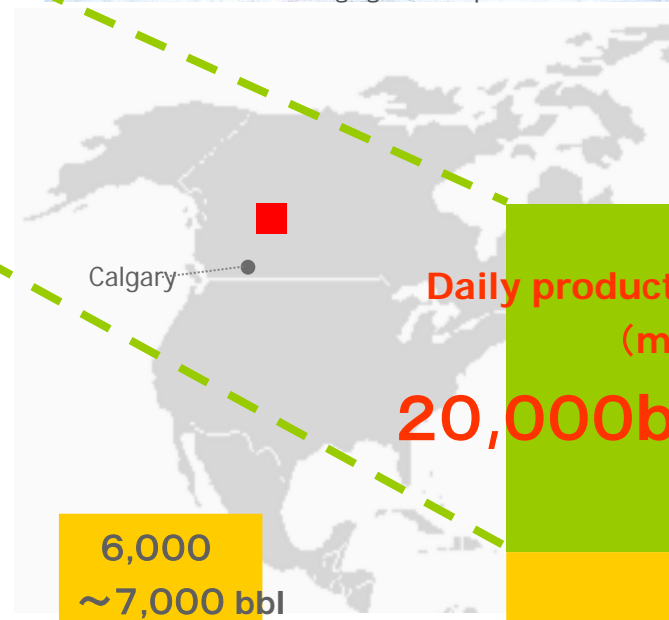


Current status of overseas business ④ Canada oil sands

Project company	Canada Oil Sands Co., Ltd. (CANOS) Operator : Japan Canada Oil Sands Ltd. (JACOS)	
Block	Hangingsone 3.75 section (Interest) 100% 6,000~7,000 bbl/d	Production Cumulative production of 28million bbl (as of end-December,2012)
	Expansion project of undeveloped part of Hangingsone area (Interest) 75% Additional production of 20,000 bbl/d at the maximum	Development
	Other bitumen blocks (include Corner, Chard & Thornbury) (Interest) 12~100%	Evaluation toward development



Delineation well at Hangingsone expansion area



Schedule

2012	NOV: Acquisition of development approval DEC: Final Investment Decision (FID)
2013	FEB: Start construction
2016	1H: Plan to commence production

at present

1H of 2016

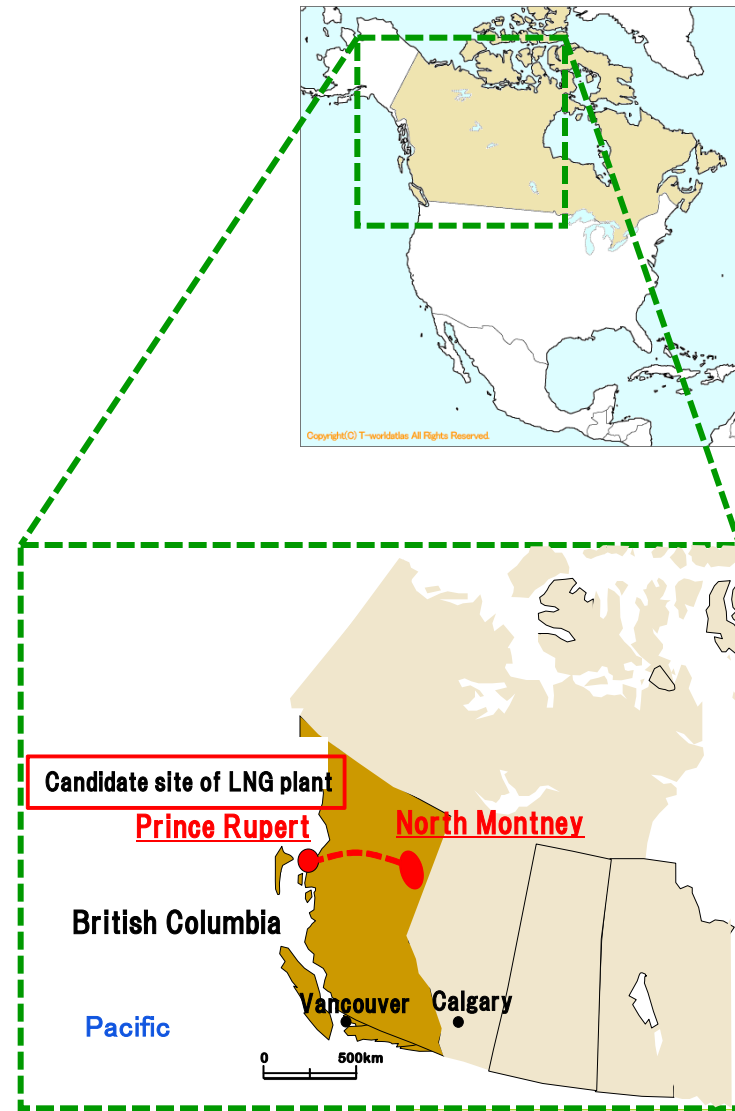
JAPEX

Current status of overseas business ⑤ Canada natural gas·LNG Project

	Natural Gas development and Production Project (Up-stream)	LNG Project (Middle-stream)
Block/ Candidate site of LNG plant	North Montney, British Columbia, Canada	Lelu Island, the Port of Prince Rupert, B.C.
Interest	10% Interest 	10% Equity 
Operator	PETRONAS (Includes subsidiaries)	PETRONAS (Includes subsidiaries)
Current Status	Production and sales of Natural Gas	FEED

■ Project Schedule

26 APR 2013	Conclusion of Contract
End of 2014	Plan to FID of LNG plant
2014 ~ 2018	Construction of LNG plant
End of 2018	First LNG Production (12MMtonnes/y)



(Reference) Integration with domestic natural gas business

We aim to enhance the domestic natural gas business with Canada natural gas・LNG project and Soma LNG receiving terminal plan.

- Planning construction of Soma LNG receiving terminal

- Increasing natural gas sales in Greater Sendai Region

- Linkage of Soma LNG receiving terminal (plan to FID) and existing infrastructures including Sendai pipeline.

- Target to cultivate new natural gas demand in the Greater Sendai region and to enhance supply security.

- Increasing natural gas sales in Central & South Hokkaido Region

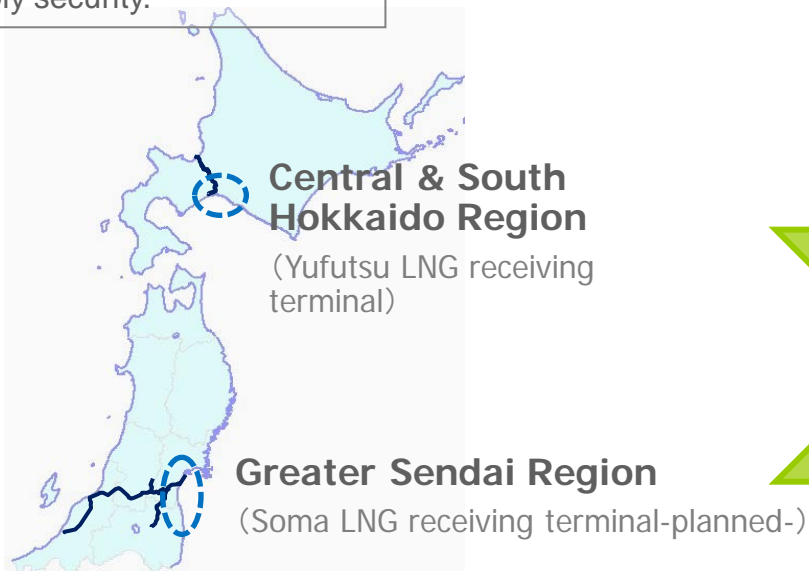
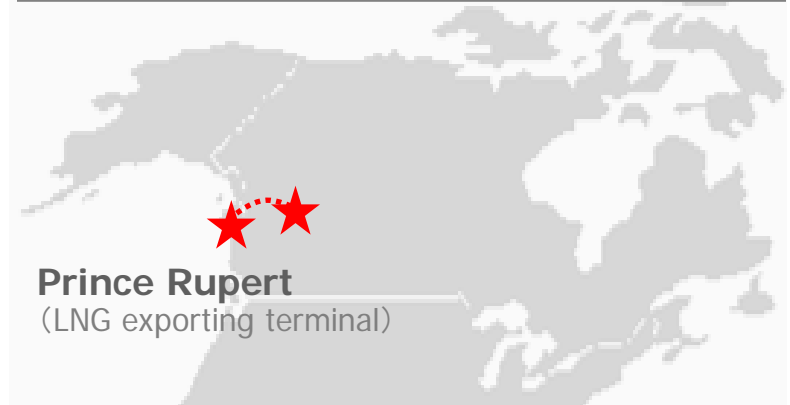
Establish an organic LNG supply system using domestic vessels and Yufutsu LNG receiving terminal.

Cultivating new natural gas demand in central & south Hokkaido region.

Canada natural gas・LNG project

End of 2014 : FID of LNG plant construction (Plan)

End of 2018: Import LNG to Japan (Plan)



Building an integrated natural gas supply system over domestic and overseas

Production volume and Proved reserves

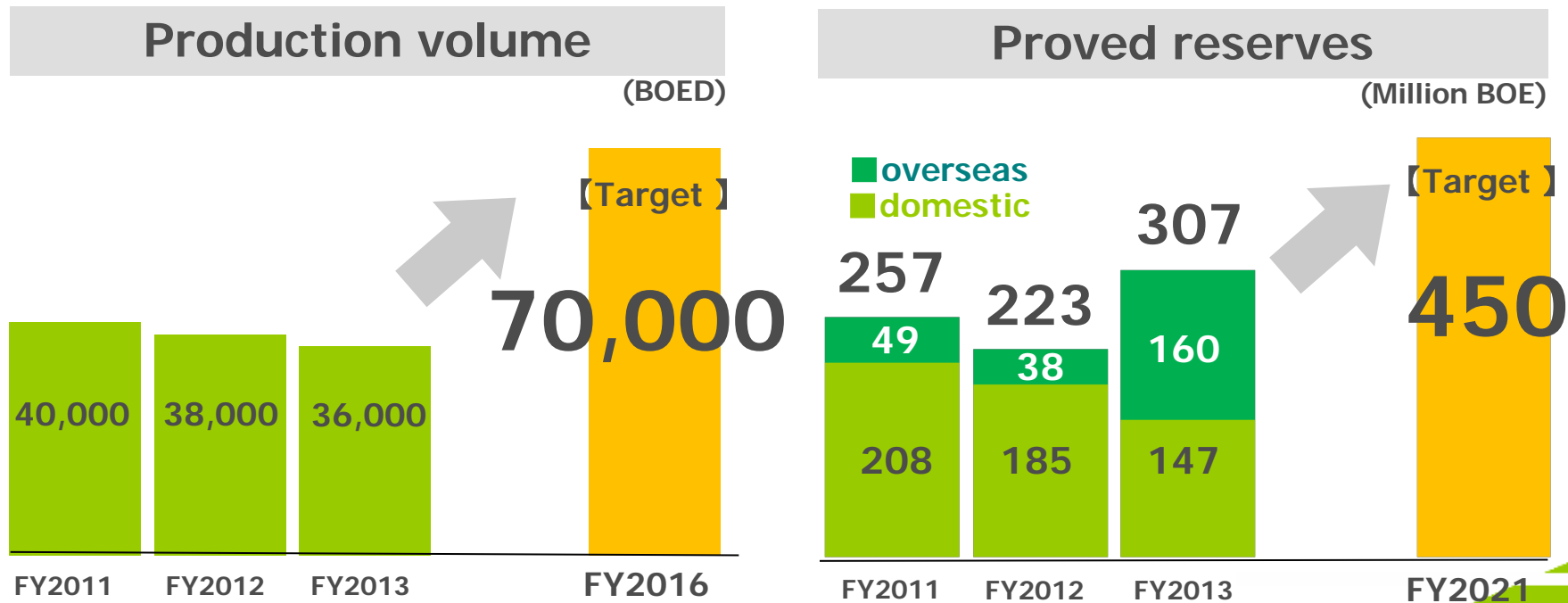
◆ Actual production volume : 36,000BOED

⇒ Decreased 5% YOY. Main reason was Yufutsu oil & gas fields

◆ Actual proved reserves : 307 million BOE

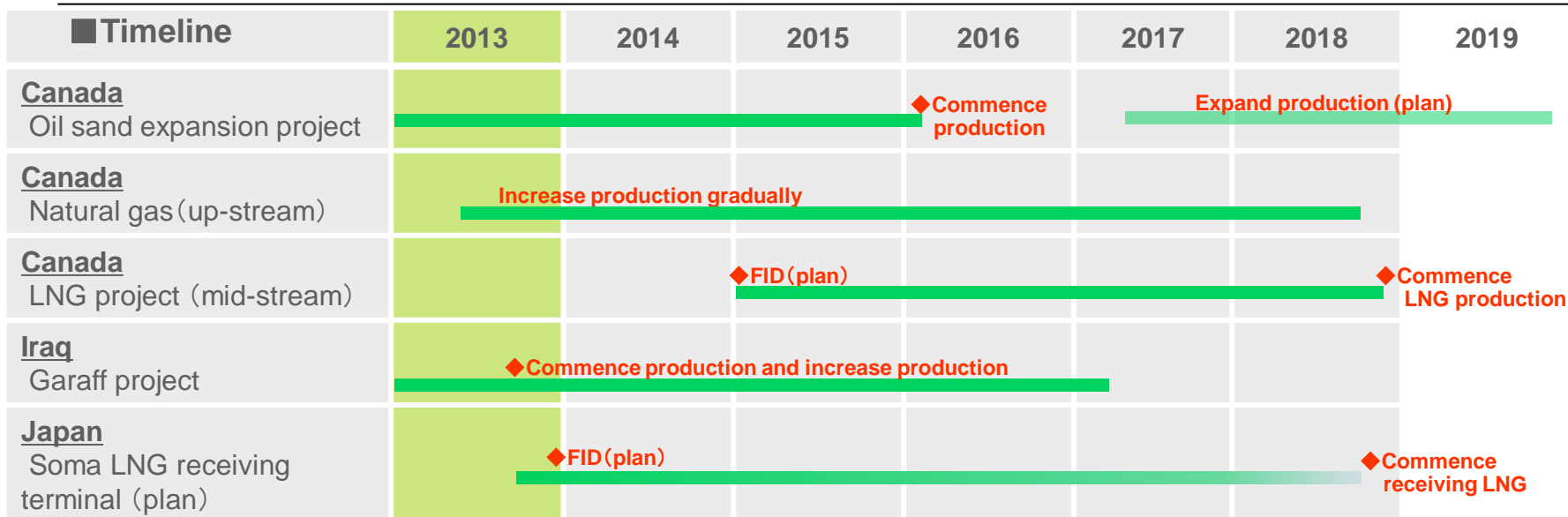
⇒ Increased 38% YOY. Main reason was FID of Canada oil sands expansion project

Aim to achieve the medium-term targets by ensuring progress in the Canada natural gas project, Canada oil sands expansion project and Garraf project of Iraq as well as the acquisition of new projects.



* The above production volume and proved reserves are equivalent to the JAPEX Group's interest.

Timeline of Projects & Investment Scale



■ Investment scale・Financing	2013	2014~
Total investment :	162 billion yen	200~250 billion yen
own fund + free cash flows	(About a half)	<ul style="list-style-type: none"> Control and optimize our debt exposure utilizing external funds procured, loan guarantee of JOGMEC, project financing. Secure stability in balance sheet position.
external funds procured (including JOGMEC financing)	(rest)	
Estimated balance of liabilities (external funds procured, loan guarantee. Include our consolidated subsidiaries)	2013/3 (a) 64 billion yen 2014/3 (e) 90 billion yen	

CAPEX plan for FY2014

[Billion ¥]	FY10	FY11	FY12	FY13	FY14 (e)
CAPEX	28.8	21.9	23.8	25.3	162.0
Depreciation and amortization	23.2	24.5	23.9	16.2	20.4

Main items of CAPEX for FY2014

Domestic CAPEX ¥ 9.0 billion

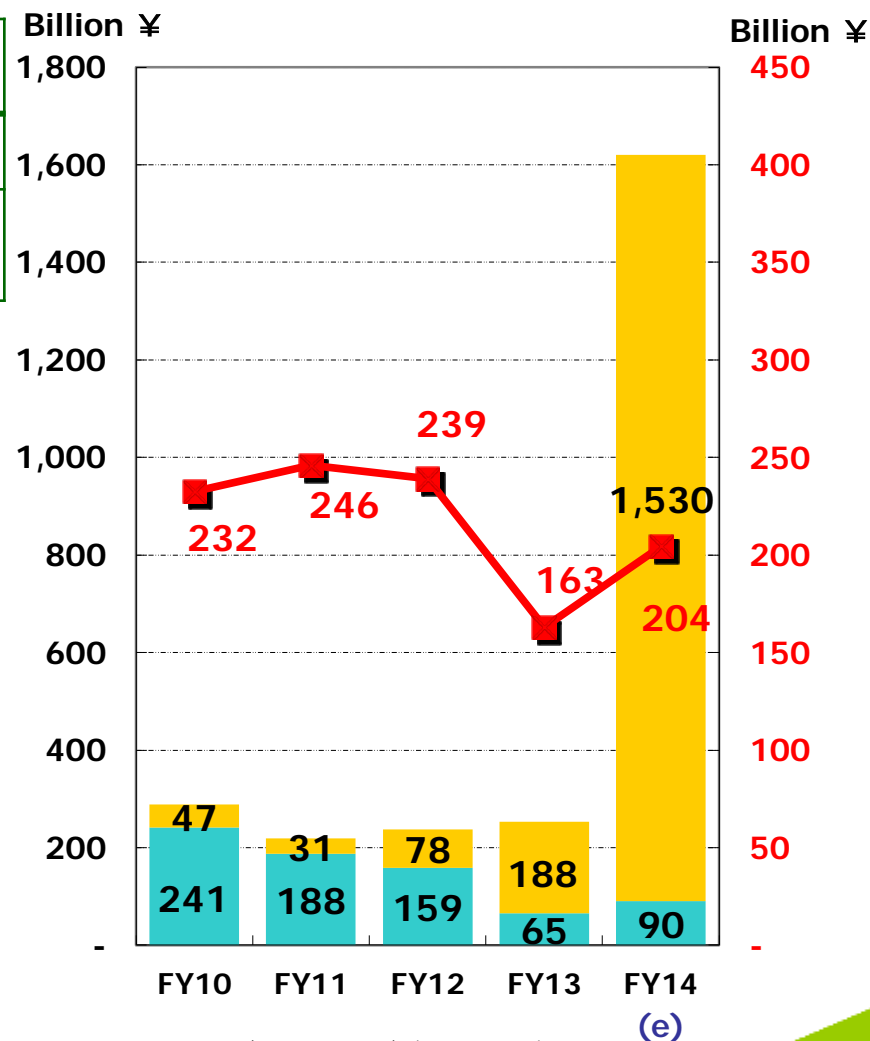
- ◆ Upgrading of production facilities

Overseas CAPEX ¥ 153.0 billion

- ◆ Canada:
 - Natural Gas · LNG Project
 - Development of Expansion for Hangingstone
- ◆ Iraq:
 - Development of Garraf oil field

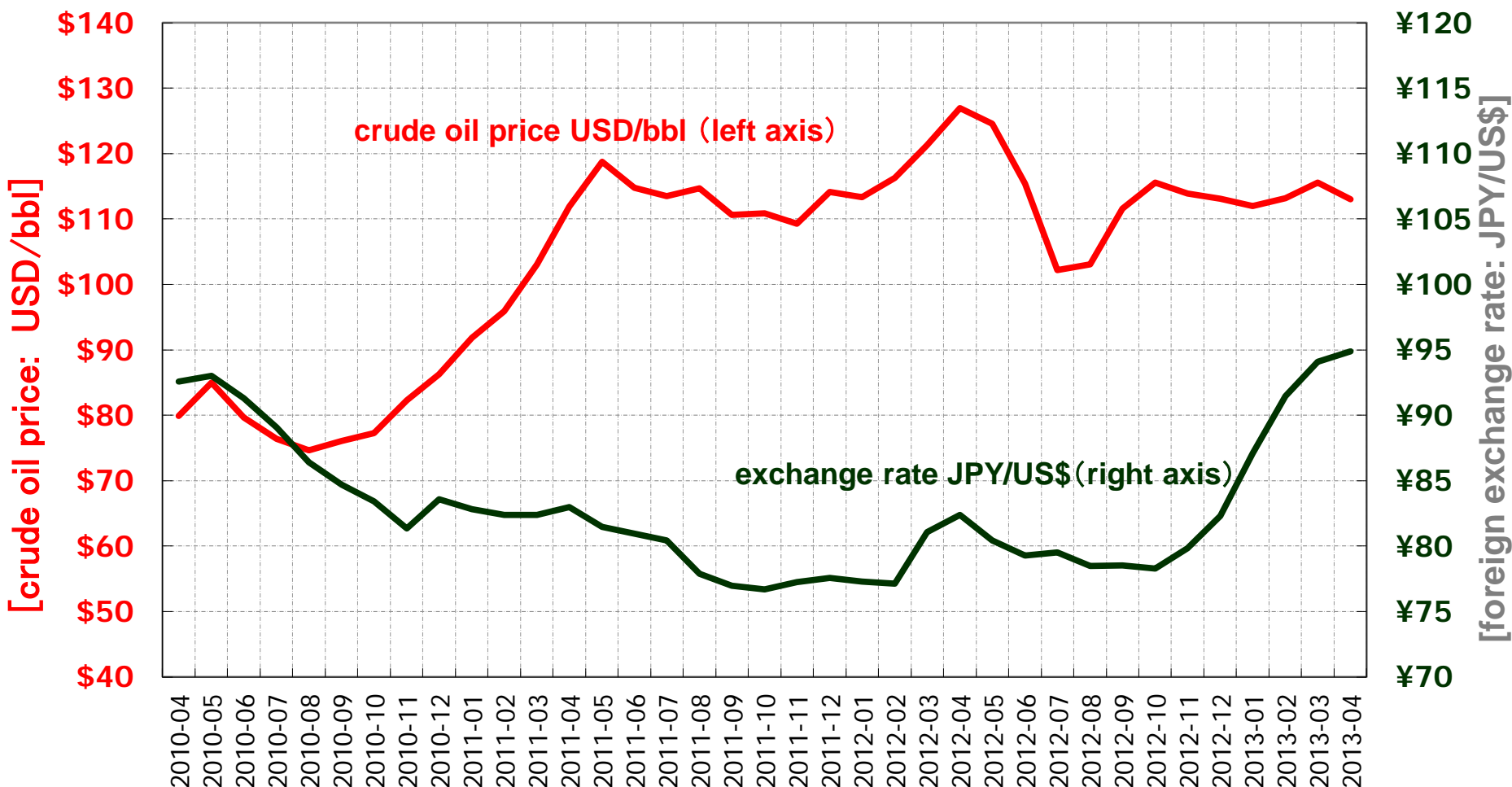
We plan to cover about half of CAPEX with our own funds and free cash flows, and rest with external funds procured (including JOGMEC financing).

※Recoverable costs are included in "Depreciation & amortization"



- CAPEX(overseas) (left axis)
- CAPEX(domestic) (left axis)
- Depreciation & amortization (right axis)

Trends in Crude oil prices and Foreign exchange rates



Japan Crude Cocktail (JCC) Price in the first 10 days of April 2013

on a prompt report basis : **USD 113.01/bbl** **JPY 94.89/USD**

Actual results for FY2013 and Estimate for FY2014 (Highlight)

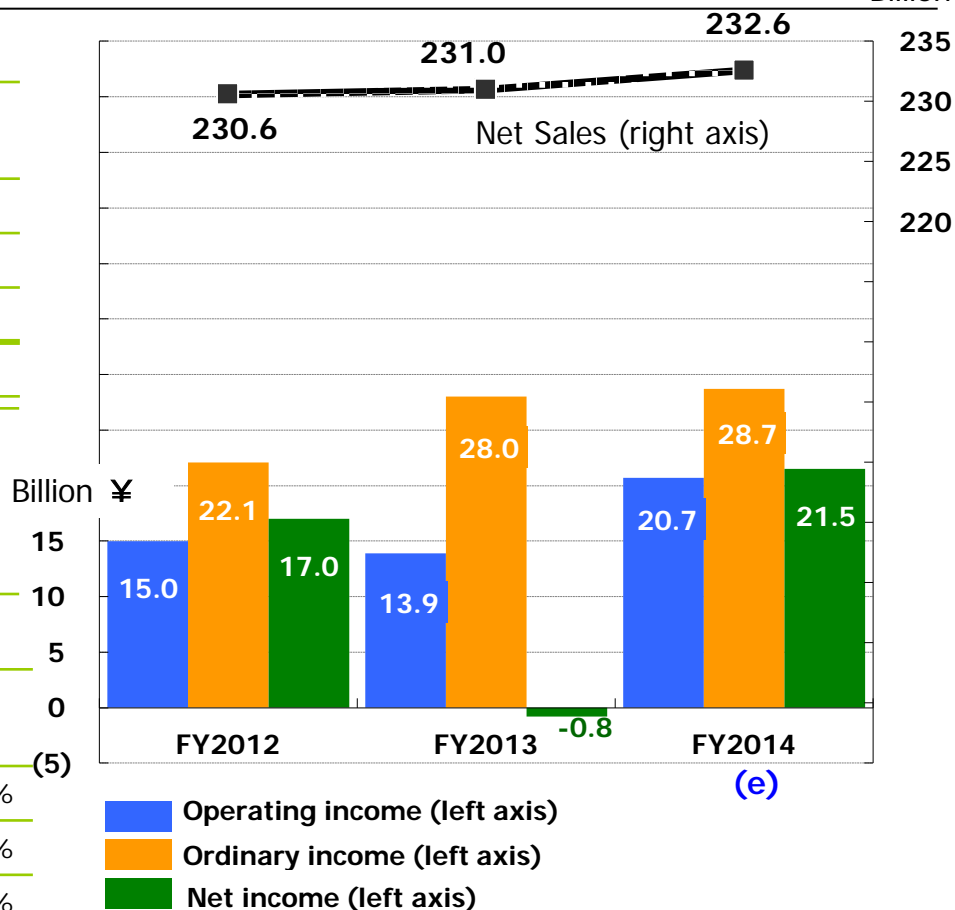
Billion ¥

Actual results for FY2013 (vs FY2012)

[Billion ¥]	FY2012 (a)	FY2013 (a)	change	
Net Sales	230.6	231.0	0.4	0%
Operating income	15.0	13.9	(1.1)	(7%)
Ordinary income	22.1	28.0	5.9	27%
Net income	17.0	(0.8)	(17.8)	-%
JCC price USD/bbl	112.43	114.67	2.24	2%
Exchange rate Yen/USD	78.93	81.71	2.78	4%

Estimate for FY2014 (vs FY2013)

[Billion ¥]	FY2013 (a)	FY2014 (e)	change	
Net Sales	231.0	232.6	1.6	1%
Operating income	13.9	20.7	6.8	49%
Ordinary income	28.0	28.7	0.7	2%
Net income	(0.8)	21.5	22.3	-%
JCC price USD/bbl	114.67	100.00	(14.67)	(13%)
Exchange rate Yen/USD	81.71	90.00	8.29	10%



FY2013: Decrease in costs & rise in sales price made up major part of the impairment loss of 37 billion yen.

FY2014: Profit will improve reflecting the depreciation decrease caused by impairment loss.

Actual results for FY2013

Executive Vice President
Hiroshi Sato

Actual results for FY2013 (Highlight)

[Million ¥]	FY2012 Actual	FY2013			Actual
		Initial estimate (May 2012)	Revised estimate ① (Oct. 2012)	Revised estimate ② (Feb. 2013)	
Net Sales	230,638	214,653	222,228	228,749	231,086
Operating income	15,045	10,003	10,304	11,925	13,906
Ordinary income	22,159	16,819	18,855	25,031	28,082
Net income	17,027	16,526	(11,630)	(5,152)	(865)
JCC price USD/bbl	112.43	100.00	112.08	113.99	114.67
Exchange rate Yen/USD	78.93	80.00	80.19	81.18	81.71
Bitumen price CAD/bbl	49.81	52.91	48.76	50.69	50.71
Exchange rate Yen/CAD	76.22	80.00	80.00	87.05	87.05

Initial estimate (May 2012) → Revised estimate ① (Oct. 2012)

【+】Rise in crude oil prices

【-】Impairment loss for the business assets for production operation of Yufutsu oil & gas field

Revised estimate ① (Oct. 2012) → Revised estimate ② (Feb. 2013)

【+】Rise in crude oil prices 【+】change of exchange rate 【+】Increase in non-operating income

Revised estimate ② (Feb. 2013) → **Actual results**

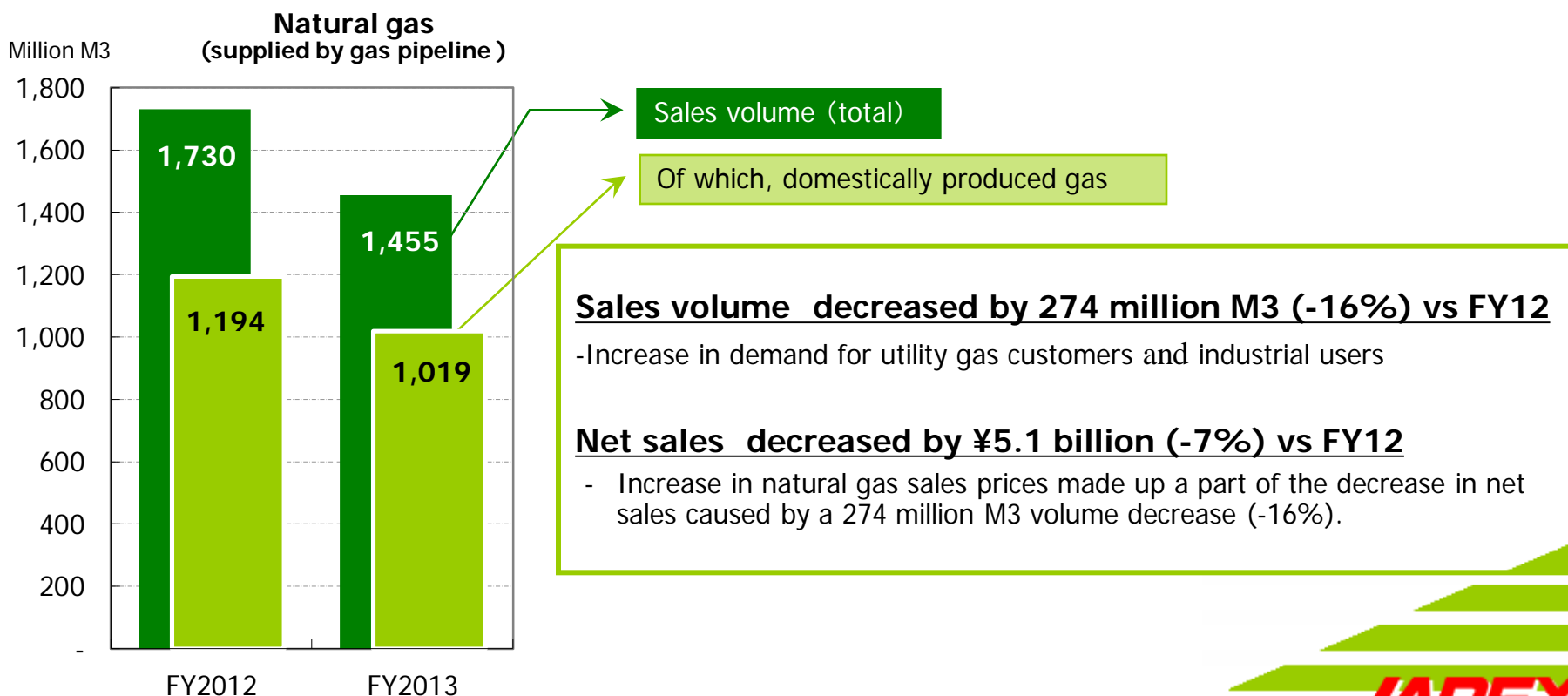
【+】Rise in crude oil & natural gas sales prices 【+】change of exchange rate 【+】Increase in non-operating income

Ordinary income +¥28.0 billion (+¥3.0billion) Net income -¥0.8 billion (+¥4.2billion)

Actual sales of Natural gas in FY2013(vs FY2012)

			FY2012		FY2013		change	
			1H (a)	Full (a)	1H (a)	Full (a)	1H	Full
Natural gas:	Sales volume	million M3	742	1,730	685	1,455	(56)	(274)
	Net sales	million ¥	31,170	74,957	30,054	69,795	(1,115)	(5,162)
Of which, Domestically produced gas:	Sales volume	million M3	522	1,194	498	1,019	(24)	(175)

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



Actual sales of Crude oil in FY2013 (vs FY2012)

Sales volume : Thousand KL Net sales : Million ¥		FY 2012		FY 2013		change	
		1H (a)	Full (a)	1H (a)	Full (a)	1H	Full
Crude oil:	Sales volume	896	1,778	920	1,684	24	(93)
	Net sales	46,649	89,891	46,463	88,529	(186)	(1,362)

Breakdown of equity oil

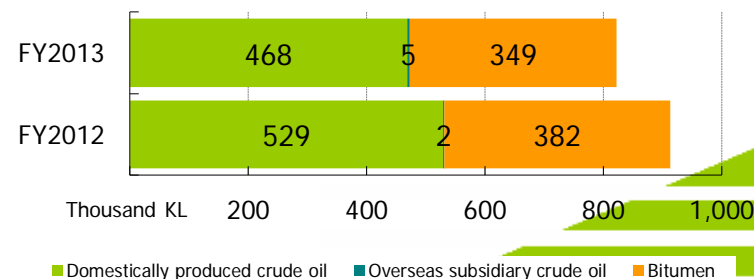
Domestically produced crude oil:	Sales volume	239	529	240	468	0	(60)
	Net sales	13,925	30,351	14,291	28,167	365	(2,183)
Overseas subsidiary crude oil:	Sales volume	1	2	1	5	(0)	3
	Net sales	84	128	61	290	(22)	161
Bitumen:	Sales volume	175	382	187	349	12	(33)
	Net sales	4,207	9,137	4,708	9,694	501	557

Oil price and Exchange rate assumptions

JCC price	USD/bbl	112.38	112.43	116.16	114.67	3.78	2.24
Exchange rate	Yen/USD	81.07	78.93	80.35	81.71	(0.72)	2.78
Bitumen price	CAD/bbl	45.70	49.81	52.02	50.71	6.32	0.90
Exchange rate	Yen/CAD	83.38	76.22	76.77	87.05	(6.61)	10.83

Domestically produced crude oil : [-] Decrease in production volume

Bitumen : [+] Rise in crude oil prices and weakening of the yen



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 FY2013 (vs FY2012)

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

[Million ¥]	FY2012 (a)	FY2013 (a)	change	
Net sales	230,638	231,086	448	
Gross profit	56,278	59,010	2,732	Gross profit Domestic crude oil and natural gas + ¥0.2 billion LNG substitution expense - ¥0.3 billion Transportation fee of natural gas + ¥3.2 billion
Exploration expenses	7,805	13,086	5,280	Exploration expenses Domestic exploration - ¥3.0 billion Domestic exploration - ¥2.2 billion
SG&A expenses	33,426	32,017	(1,409)	
Operating income	15,045	13,906	(1,139)	Non-operating income (expenses) Dividends income + ¥4.1 billion Foreign exchange profit or los + ¥1.7 billion
Non-operating income (expenses)	7,114	14,176	7,062	
Ordinary income	22,159	28,082	5,922	
Extraordinary income (losses)	311	(34,522)	(34,833)	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 - ¥37.0 billion
Income taxes	4,746	(6,439)	(11,674)	
Minority interests in income	696	1,352	655	
Net income	17,027	(865)	(17,892)	

Estimate for FY2014

Executive Vice President

Hiroshi Sato

Estimates for FY2014 (Point)

[Million ¥]		FY2013		FY2014		change	
		1H (a)	Full (a)	1H (e)	Full (e)	1H	Full
Net Sales		105,958	231,086	99,741	232,692	(6,218)	1,606
Operating income		1,778	13,906	9,294	20,722	7,515	6,815
Ordinary income		3,062	28,082	12,462	28,783	9,400	701
Net income		(24,433)	(865)	9,677	21,511	34,110	22,377
JCC price	USD/bbl	116.16	114.67	100.00	100.00	(16.16)	(14.67)
Exchange rate	Yen/USD	80.35	81.71	90.00	90.00	9.65	8.29
Bitumen price	CAD/bbl	52.02	50.71	47.25	45.87	(4.77)	(4.84)
Exchange rate	Yen/CAD	76.77	87.05	90.00	90.00	13.23	2.95

Point FY2014 vs FY2013

Operating income **+¥ 6.8 billion** ➤ Exploration expenses **+¥ 3.9 billion**

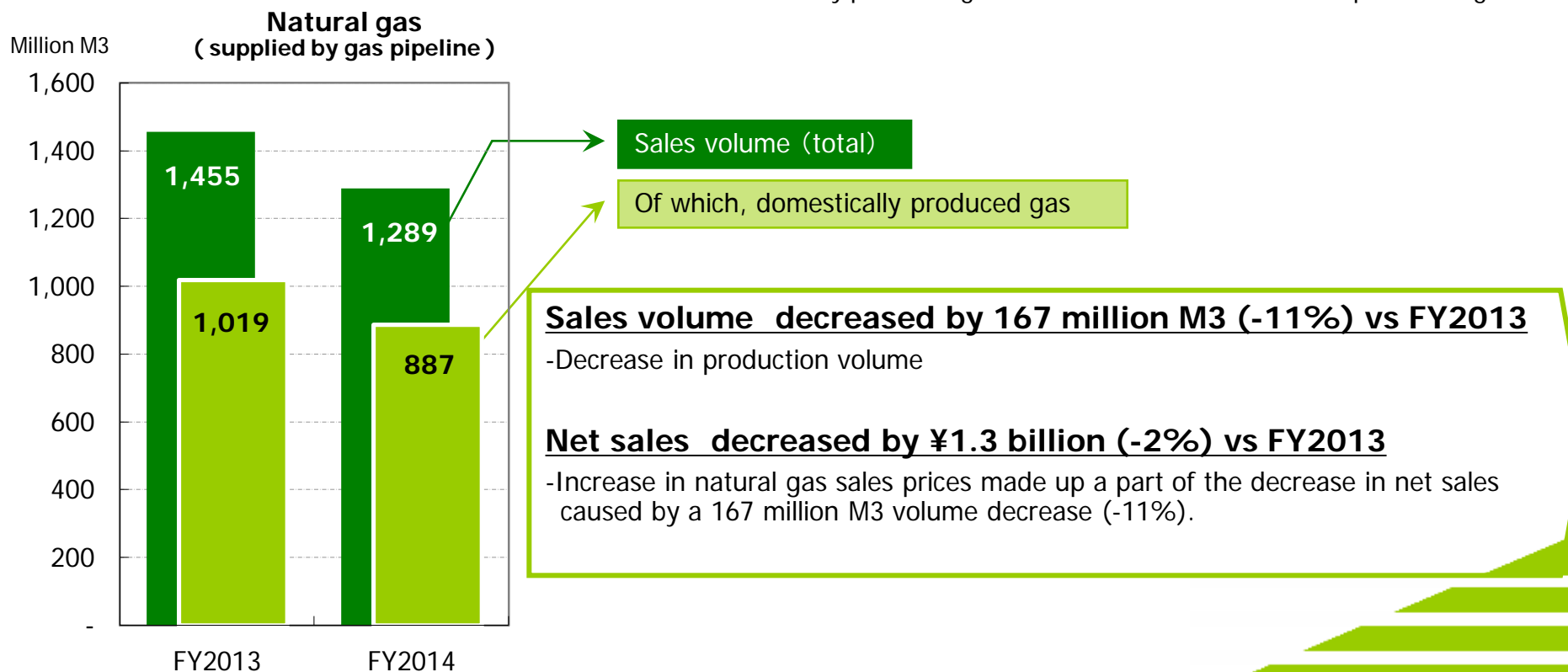
Ordinary income **+¥ 0.7 billion** ➤ Non-operating income (expenses) **-¥ 6.1 billion** : Decrease of dividends income

Net income **+¥ 22.3 billion** ➤ Extraordinary income (losses) **+¥ 34.4 billion**
 ➤ Income taxes **-¥ 13.4 billion**

Estimated Natural gas sales in FY2014

			FY2013		FY2014		change	
			1H (a)	Full (a)	1H (e)	Full (e)	1H	Full
Natural gas:	Sales volume	Million M3	685	1,455	588	1,289	(97)	(167)
	Net sales	Million ¥	30,054	69,795	30,519	68,478	465	(1,317)
Of which, Domestically produced gas:	Sales volume	Million M3	498	1,019	416	887	(83)	(133)

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



Estimated Crude oil sales in FY2014

Sales volume : Thousand KL Net sales : Million ¥		FY 2013		FY 2014		change	
		1H (a)	Full (a)	1H (e)	Full (e)	1H	Full
Crude oil:	Sales volume	920	1,684	767	1,897	(154)	212
	Net sales	46,463	88,529	38,524	95,935	(7,939)	7,406

Breakdown of equity oil

Domestically produced crude oil:	Sales volume	240	468	194	384	(47)	(84)
	Net sales	14,291	28,167	11,180	22,159	(3,111)	(6,009)
Overseas subsidiary crude oil:	Sales volume	1	5	7	369	6	363
	Net sales	61	290	363	19,881	302	19,591
Bitumen:	Sales volume	187	349	179	371	(8)	21
	Net sales	4,708	9,694	4,815	9,623	106	(72)

Oil price and Exchange rate assumptions

JCC price	USD/bbl	116.16	114.67	100.00	100.00	(16.16)	(14.67)
Exchange rate	Yen/USD	80.35	81.71	90.00	90.00	9.65	8.29
Bitumen price	CAD/bbl	52.02	50.71	47.25	45.87	(4.77)	(4.84)
Exchange rate	Yen/CAD	76.77	87.05	90.00	90.00	13.23	2.95

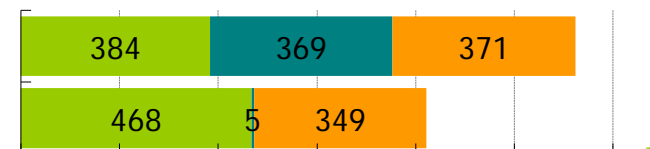
Domestically produced crude oil : [−] Fall in production volume and oil prices

Overseas subsidiary crude oil : [+] commenced production of JAPEX Garraf

Bitumen : [−] Fall in crude oil prices

FY2014

FY2013



200 400 600 800 1,000 1,200

■ Domestically produced crude oil
■ Overseas subsidiary crude oil
■ Bitumen

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 sum totals of the sales volumes and net sales reported by two overseas consolidated subsidiaries (Japex (U.S.) Corp. and Japex Garraf Ltd.).

Estimates for FY2014

[Million ¥]	FY2013 (a)	FY2014 (e)	change
Net sales	231,086	232,692	1,606
Gross profit	59,010	61,972	2,961
Exploration expenses	13,086	9,184	(3,903)
SG&A expenses	32,017	32,066	49
Operating income	13,906	20,722	6,815
Non-operating income (expenses)	14,176	8,062	(6,115)
Ordinary income	28,082	28,783	701
Extraordinary income (losses)	(34,522)	(90)	34,433
Income taxes	(6,439)	6,502	13,429
Minority interests in income	1,352	680	(672)
Net income	(865)	21,511	22,377

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

Gross profit

Domestic crude oil and natural gas	+ ¥0.6 billion
LNG substitution expense	+ ¥2.3 billion

Exploration expenses

Domestic exploration	- ¥0.2 billion
Overseas exploration	+ ¥4.1 billion

Non-operating income (expenses)

Equity in loss of affiliates	+ ¥0.6 billion
Dividends income	- ¥0.5 billion
Foreign exchange profit or loss	- ¥1.5 billion

Extraordinary income (expenses)

(impact of extraordinary losses in FY2013)

Gain on transfer of mining rights	- ¥2.8 billion
Impairment loss for the business assets for production operation of Yufutsu oil & gas field	+ ¥37.0 billion

Oil price and Exchange rate assumptions and impact on profits

Assumption	JCC price USD 100 /bbl	Exchange rate JPY 90 /USD	Bitumen price CAD 45.87 /bbl (JPY 90 /CAD)
Impact on Profits	USD 1 /bbl increase in JCC prices would push profits up by...	JPY 5/USD weakening in exchange rates would push profits up by...	CAD 1/bbl increase in bitumen prices would push profits up by...
Operating income	JPY 390 million	JPY 1,780 million	(2.33 million CAD) JPY 210 million
Net income	JPY 260 million	JPY 1,270 million	(1.53 million CAD) JPY 140 million

		FY2013			FY2014			change
		1H (a)	2H (a)	Full (a)	1H (e)	2H (e)	Full (e)	
JCC price	USD/bbl	116.16	113.12	114.67	100.00	100.00	100.00	(14.67)
Exchange rate	JPY/USD	80.35	83.16	81.71	90.00	90.00	90.00	8.29
Bitumen price	CAD/bbl	52.02	49.19	50.71	47.25	44.58	45.87	(4.84)
Exchange rate	JPY/CAD	76.77	87.05	87.05	90.00	90.00	90.00	2.95

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.