



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

**Consolidated Financial Results  
for the Six Months Ended September 30, 2013  
<Supplementary Material>**

**November 8, 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

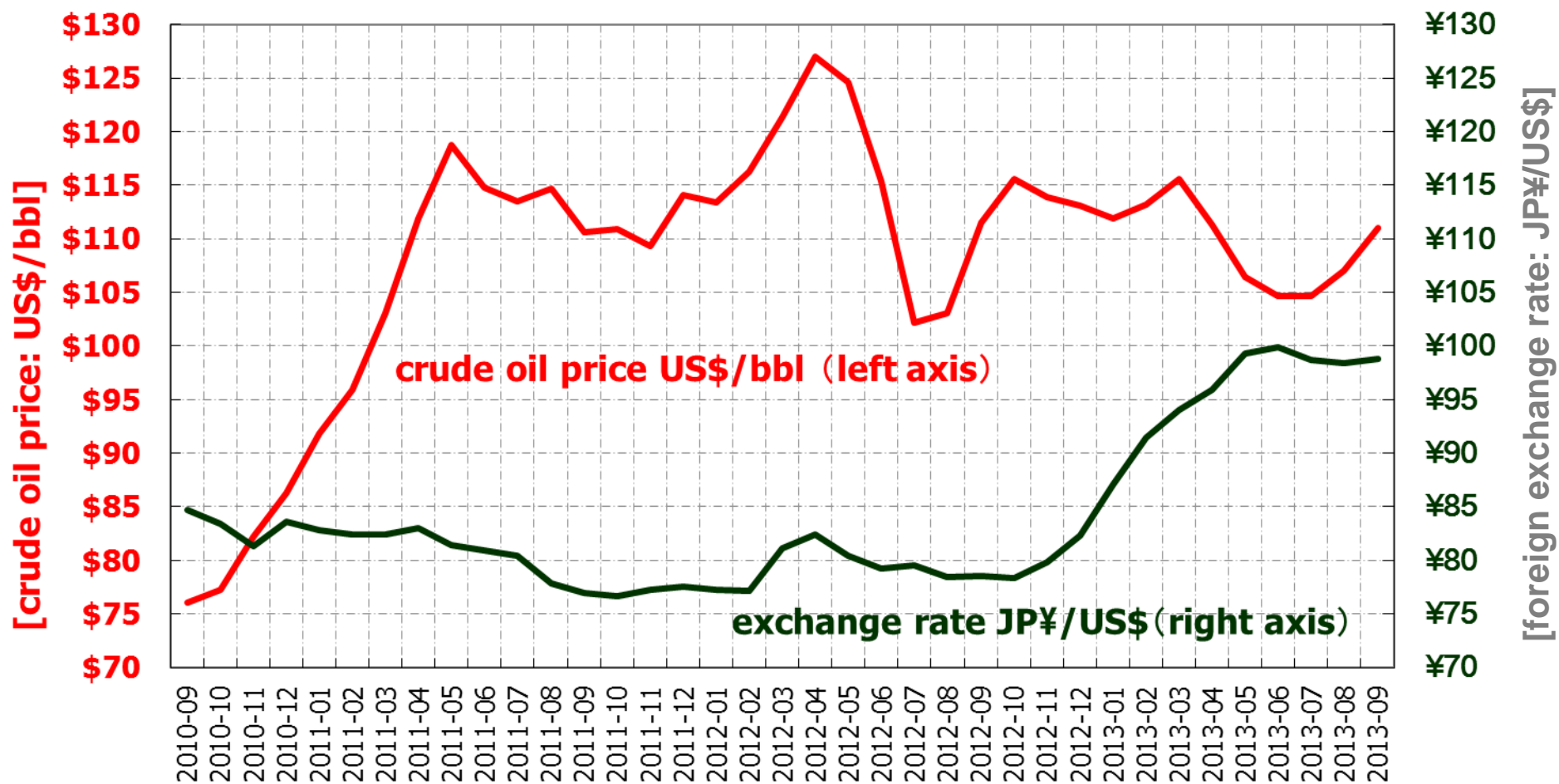
(e) = Estimate

FY = Fiscal Year (FY2014, for instance, means 12 months ending March 31, 2014)

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# Trends in Crude Oil Price and Foreign Exchange Rate



Japan Crude Cocktail (JCC) Price in the first 10 days of October 2013  
 on a prompt report basis : **US\$ 112.86/bbl**    **JP¥ 98.94/US\$**

# Consolidated Financial Estimates for FY2014 ( Highlight )

[ Billion JP¥]	FY2013		FY2014		change	
	1H (a)	Full (a)	1H (a)	Full (e)*	1H	Full
Net sales	105.9	231.0	120.2	232.7	14.3	1.6
Operating income	1.7	13.9	11.5	20.7	9.7	6.8
Ordinary income	3.0	28.0	19.9	28.8	16.8	0.7
Net income	(24.4)	(0.8)	15.8	21.5	40.3	22.3

JCC price	US\$/bbl	116.16	114.67	108.53	100.00	(7.63)	(14.67)
Exchange rate	JP¥/US\$	80.35	81.71	97.58	90.00	17.23	8.29
Bitumen price	CA\$/bbl	52.02	50.71	52.22	45.87	0.20	(4.84)
Exchange rate	JP¥/CA\$	76.77	87.05	94.01	90.00	17.24	2.95

\* The estimates for the full-year (April 1, 2013 - March 31, 2014) have been left unchanged from the initial estimates (announced on May 10, 2013) due to uncertainties of the impact of overseas projects on the estimates and the volatility of Japan Crude Cocktail (JCC) price, foreign exchange rate and others.

## Point FY2014 1H vs FY2013 1H

### Operating income

**+¥ 9.7 billion Increased**

### Gross profit

**+¥ 8.5 billion**

### Ordinary income

**+¥ 16.8 billion Increased**

### Non-operating income (expenses)

**+¥ 7.0 billion**

### Net income

**+¥ 40.3 billion Increased**

### Extraordinary income (losses)

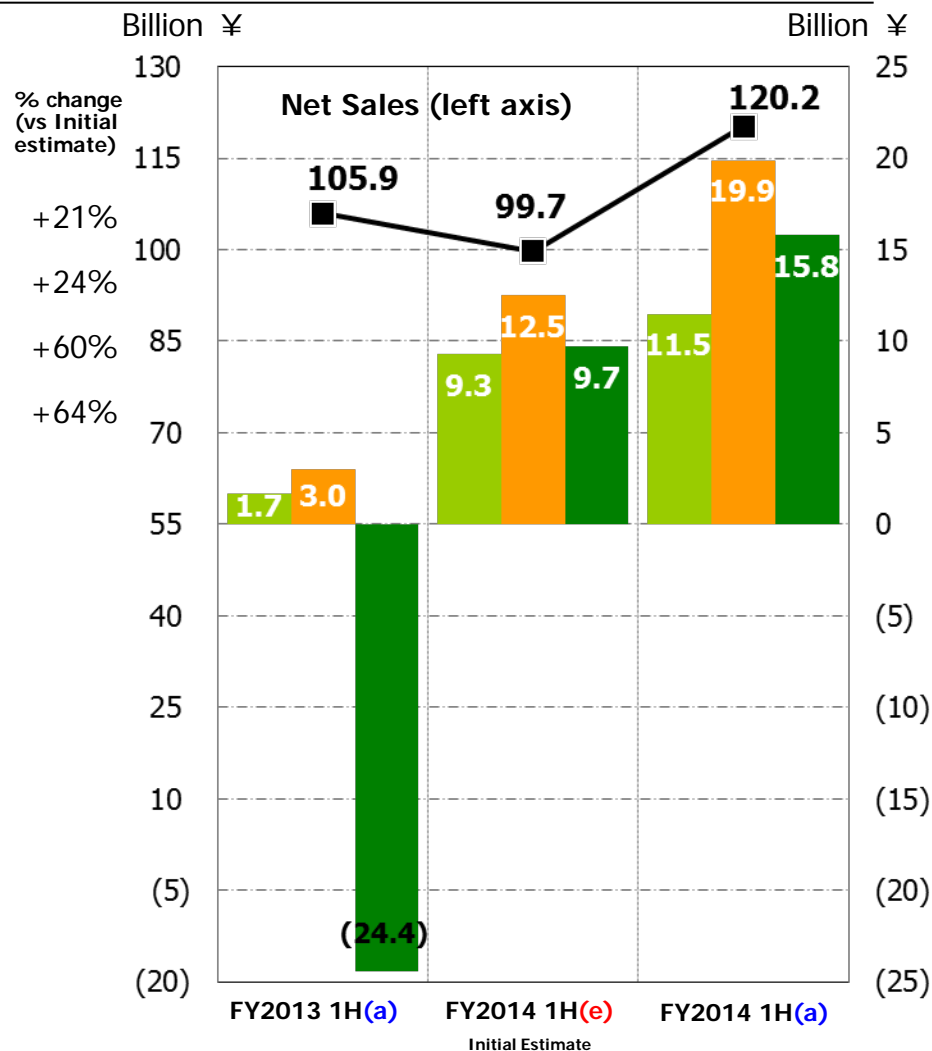
**+¥ 34.7 billion**

# Actual Financial Results for 1H FY2014 (Summary)

[ Billion ¥ ]	FY2013 1H (a)	FY2014 1H	
		Initial estimate (May10 '13) (e)	1H (a)
Net Sales	105.9	99.7	120.2
Operating income	1.7	9.3	11.5
Ordinary income	3.0	12.5	19.9
Net income	(24.4)	9.7	15.8
JCC price US\$/bbl	116.16	100.00	108.53
Exchange rate JP¥/US\$	80.35	90.00	97.58
Bitumen price CA\$/bbl	52.02	47.25	52.22
Exchange rate JP¥/CA\$	76.77	90.00	94.01

## Main points of difference with initial estimate :

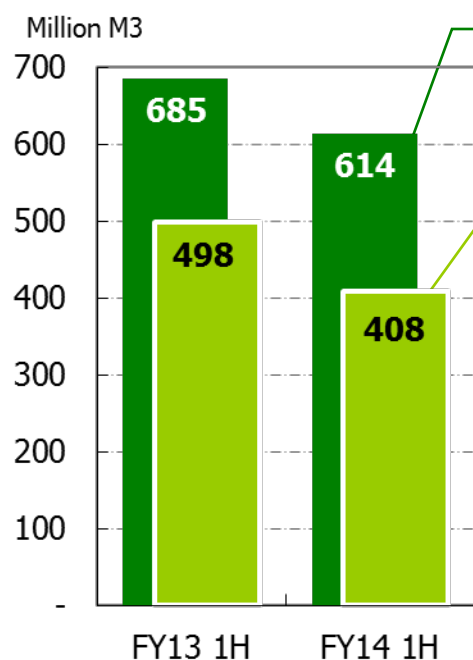
- Operating income + ¥ 2.2 billion
  - Gross profit + ¥ 2.3 billion
  - Exploration expenses - ¥ 0.2 billion
- Ordinary income + ¥ 7.4 billion
  - Equity in earnings + ¥ 3.2 billion
  - Foreign exchange profit + ¥ 0.5 billion
- Net income + ¥ 6.2 billion
  - Income taxes etc. - ¥ 1.2 billion



# Actual Sales of Natural Gas in 1H FY2014 (vs FY2013)

Sales volume : Million M3 Net sales : Million ¥		FY2013	FY2014	change	
		1H(a)	1H(a)		
Natural gas:		Sales volume	685	614	(70)
		Net sales	30,054	31,883	1,828
Of which, Domestically produced gas:		Sales volume	498	408	(89)

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 70 million M3 (-10%) vs FY2013 1H**

**Net sales increased by ¥1,828 million (+6%) vs FY2013**

<Cause of decrease >

-Decrease in sales volume 70 million M3 (-10%)

<Cause of increase >

-Increase in sales price of natural gas

# Actual Sales of Crude Oil in 1Q FY2014 (vs FY2013)

Sales volume : Thousand KL Net sales : Million ¥		FY2013	FY2014	change
		1H(a)	1H(a)	
Crude oil:	Sales volume	920	877	(42)
	Net sales	46,463	53,919	7,456

-Increase in sales of crude oil purchased from overseas

## Breakdown of equity oil

Domestically produced crude oil:	Sales volume	240	188	(51)
	Net sales	14,291	12,828	(1,462)
Overseas subsidiary crude oil:	Sales volume	1	8	7
	Net sales	61	478	417
Bitumen:	Sales volume	187	165	(21)
	Net sales	4,708	5,110	401

-Decrease in production volume

-Rise in bitumen price

## Oil price and Exchange rate assumptions

JCC price	US\$/bbl	116.16	108.53	(7.63)
Exchange rate	JP¥ / US\$	80.35	97.58	17.23
Bitumen price	CA\$/bbl	52.02	52.22	0.20
Exchange rate	JP¥ / US\$	76.77	94.01	17.24

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. and JAPEX Montney Ltd., overseas consolidated subsidiaries.

# Actual Financial Results for 1H FY2014 (vs FY2013)

[ Million ¥]	FY2013	FY2014	Change	Causes of increase(+) or decrease(-)
	1H(a)	1H(a)		
Net sales	105,958	120,281	14,323	
Gross profit	23,638	32,161	8,522	<b>Gross profit</b> Domestic crude oil and natural gas +¥6.7 billion LNG substitution expense +¥1.6 billion
Exploration expenses	7,316	5,723	(1,593)	<b>Exploration expenses</b> Domestic exploration - ¥0.3 billion Overseas exploration +¥1.9 billion
SG&A expenses	14,542	14,893	350	
Operating income	1,778	11,543	9,765	
Non-operating income (expenses)	1,284	8,358	7,074	<b>Non-operating income (expenses)</b> Equity in earnings of affiliates +¥4.7 billion Foreign exchange profit +¥0.9 billion Gain and loss on sales of securities etc. +¥0.6 billion
Ordinary income	3,062	19,902	16,839	
Extraordinary income (losses)	(34,773)	2	34,775	<b>Extraordinary income (losses)</b> 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
Income taxes	(7,772)	3,983	11,755	
Minority interests in income	495	38	(456)	
Net income	(24,433)	15,883	40,316	