



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

**Consolidated Financial Results
for the Fiscal Year Ended
March 31, 2014
<Supplementary material>**

May 12, 2014

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: Abbreviations used herein are as follows:

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

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

(a) = Actual result

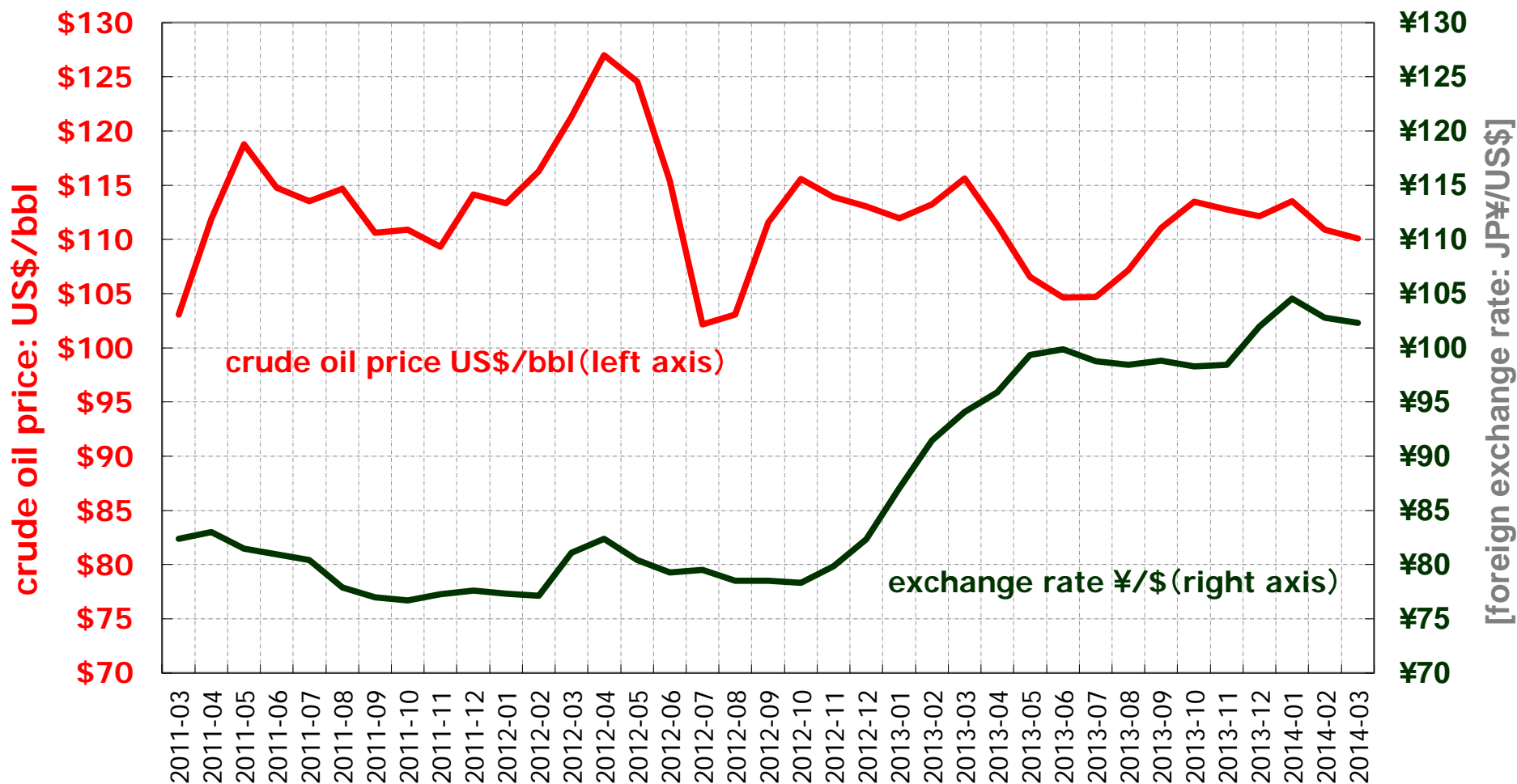
(e) = Estimate

FY = Fiscal Year (FY2014, for instance, means 12 months ended 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 April 2014
on a prompt report basis : **US\$ 109.77/bbl** **JP¥ 101.97/US\$**

Actual Results for FY2014 and Estimate for FY2015 (Highlight)

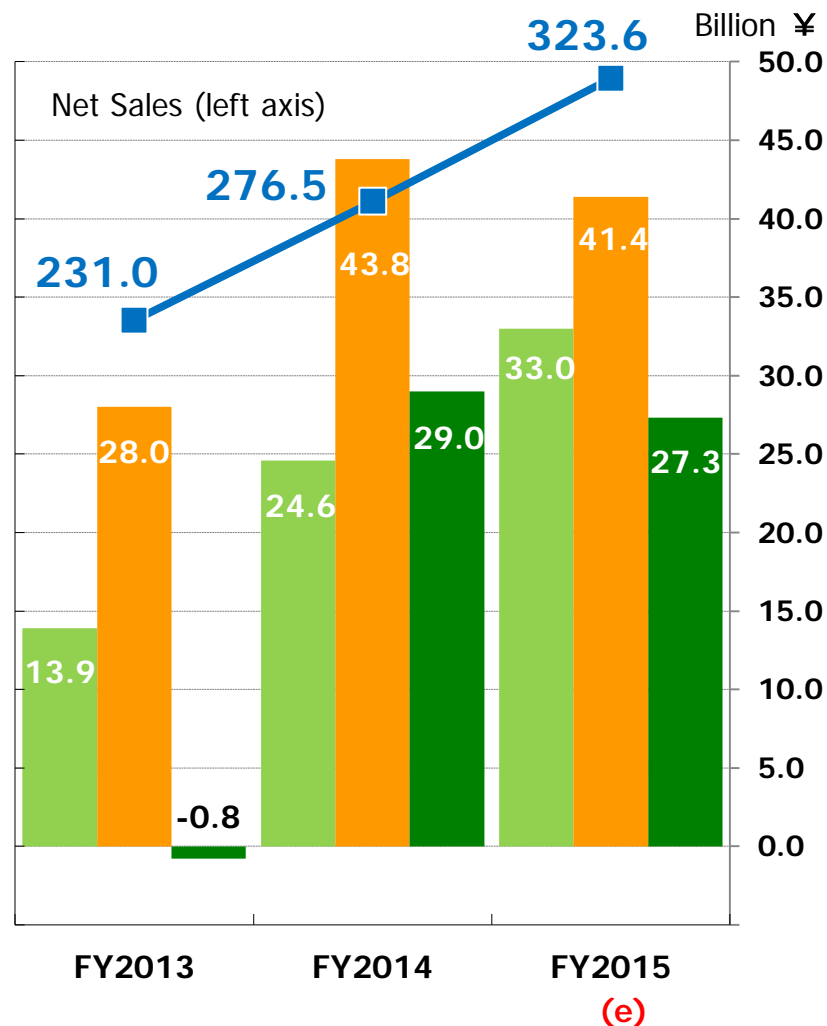
Actual results for FY2014 (vs FY2013)

[Billion ¥]	FY2013 (a)	FY2014 (a)	change	
Net Sales	231.0	276.5	+45.5	+20%
Operating income	13.9	24.6	+10.7	+77%
Ordinary income	28.0	43.8	+15.8	+56%
Net income	(0.8)	29.0	+29.8	-%
JCC price US\$/bbl	114.67	110.51	(4.16)	(3%)
Exchange rate JP¥/US\$	81.71	99.31	+17.60	+22%

Estimate for FY2015 (vs FY2014)

[Billion ¥]	FY2014 (a)	FY2015 (e)	change	
Net Sales	276.5	323.6	+47.1	+17%
Operating income	24.6	33.0	+8.4	+34%
Ordinary income	43.8	41.4	(2.4)	(5%)
Net income	29.0	27.3	(1.7)	(5%)
JCC price US\$/bbl	110.51	100.00	(10.51)	(9%)
Exchange rate JP¥/US\$	99.31	100.00	+0.69	+1%

Billion ¥
330.0
300.0
270.0
240.0
210.0



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

Actual Results for FY2014 (Highlight)

[Million ¥]	FY2013 Actual	FY2014		
		Initial estimate (May 2013)	Revised estimate (Feb. 2014)	Actual
Net Sales	231,086	232,692	272,802	276,588
Operating income	13,906	20,722	21,540	24,634
Ordinary income	28,082	28,783	38,083	43,889
Net income	(865)	21,511	24,089	29,015

Oil price and Exchange rate assumptions

JCC price	US\$/bbl	114.67	100.00	109.93	110.51
Exchange rate	JP¥/US\$	81.71	90.00	98.43	99.31
Bitumen price	CA\$/bbl	50.71	45.87	51.58	51.67
Exchange rate	JP¥/CA\$	87.05	90.00	98.42	98.42

Initial estimate (May 2013) → Revised estimate (Feb. 2014)
 【+】 Rise in crude oil and natural gas sales prices 【+】 change of exchange rate 【+】 Equity in earnings in affiliates
 【-】 Impairment loss for the business assets for production operation of Yufutsu oil & gas field

Revised estimate (Feb. 2014) → Rev. estimate (Feb. 2014) & Actual results (May 2014)
 【+】 Rise in crude oil sales prices 【+】 Equity in earnings in affiliates
 Operating income ¥24.6 billion (+¥3.0 billion)
 Ordinary income ¥43.8 billion (+¥5.8 billion)
 Net income loss ¥29.0 billion (+¥4.9 billion)

Actual sales of Natural gas for FY2014 (vs FY2013)

Sales volume : Million M3 Net sales : Million ¥		FY 2013		FY 2014		change	
		1H (a)	Full (a)	1H (a)	Full (a)	1H	Full
Natural gas :	Sales volume	685	1,455	614	1,418	(70)	(36)
	Net sales	30,054	69,795	31,883	71,584	+1,828	+1,789

Breakdown of equity natural gas

Domestically produced gas:	Sales volume	498	1,019	408	853	(89)	(166)
Overseas subsidiary gas:	Sales volume	0	1	37	167	+36	+166

Million M3

1,200

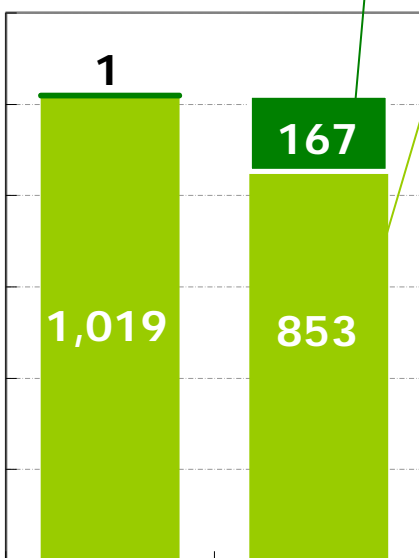
1,000

800

600

400

200



FY2013

FY2014

Sales volume of overseas subsidiary gas

Sales volume of domestically produced gas

Sales volume decreased by 36 million M3 (-2%) vs FY2013

-Decrease in demand for utility gas customers and industrial users

Net sales increased by ¥1.7 billion (+2%) vs FY2013

-Increase in sales price of natural gas

-Increase in sales volume of overseas subsidiary gas

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

Sales volume of "Overseas subsidiary gas" stated herein are amounts of Japex (U.S.) Corp. and JAPEX Montney Ltd..

Actual Sales of Crude Oil for FY2014 (vs FY2013)

Sales volume : Thousand KL Net sales : Million ¥		FY 2013		FY 2014		change	
		1H (a)	Full (a)	1H (a)	Full (a)	1H	Full
Crude oil:	Sales volume	920	1,684	877	1,902	(42)	+217
	Net sales	46,463	88,529	53,919	119,370	+7,456	+30,841

Breakdown of equity oil

Domestically produced crude oil:	Sales volume	240	468	188	390	(51)	(78)
	Net sales	14,291	28,167	12,828	27,391	(1,462)	(775)
Overseas subsidiary crude oil:	Sales volume	1	5	8	280	+7	+274
	Net sales	61	290	478	18,080	+417	+17,780
Bitumen:	Sales volume	187	349	165	342	(21)	(6)
	Net sales	4,708	9,694	5,110	10,962	+401	+1,267

Oil price and Exchange rate

JCC price	US\$/bbl	116.16	114.67	108.53	110.51	(7.63)	(4.16)
Exchange rate	JP¥ / US\$	80.35	81.71	97.58	99.31	+17.23	+17.60
Bitumen price	CA\$/bbl	52.02	50.71	52.22	51.67	+0.20	+0.96
Exchange rate	JP¥ / CA\$	76.77	87.05	94.01	98.42	+17.24	+11.37

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

Overseas subsidiary crude oil : [+] Commencement of sales of crude oil from Garraf oil field

Bitumen : [+] Rise in sales price

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 3 overseas subsidiaries (Japex (U.S.) Corp., JAPEX Montney Ltd. and Japex Garraf Ltd.).

Actual Results for FY2014 (vs FY2013)

[Million ¥]	FY2013 (a)	FY2014 (a)	Change
Net sales	231,086	276,588	+45,502
Gross profit	59,010	66,127	+7,117
Exploration expenses	13,086	9,800	(3,285)
SG&A expenses	32,017	31,692	(324)
Operating income	13,906	24,634	+10,728
Non-operating income (expenses)	14,176	19,255	+5,078
Ordinary income	28,082	43,889	+15,806
Extraordinary income (losses)	(34,522)	(8,305)	+26,217
Income taxes	(6,927)	5,566	+12,494
Minority interests in income	1,352	1,002	(350)
Net income	(865)	29,015	+29,880

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

Gross profit

Domestic crude oil and natural gas	+¥4.3 billion
LNG substitution expense	+¥2.0 billion
Asset retirement obligations	- ¥2.4 billion
Overseas consolidated subsidiaries	+¥ 2.9 billion

Exploration expenses

Overseas exploration	+¥3.6 billion
Domestic exploration	- ¥0.3 billion

Non-operating income (expenses)

Share of profit of entities accounted for using equity method	+¥11.3 billion
Dividends income	- ¥7.2 billion

Extraordinary income (losses)

Gain on transfer of mining rights	- ¥2.8 billion
Decreased of an impairment loss on business assets for production operation of Yufutsu oil & gas field	+¥29.0 billion

Estimates for FY2015 (Point)

[Million ¥]		FY2014		FY2015		change	
		1H (a)	Full (a)	1H (e)	Full (e)	1H	Full
Net Sales		120,281	276,588	157,514	323,633	+37,232	+47,044
Operating income		11,543	24,634	14,339	33,077	+2,796	+8,442
Ordinary income		19,902	43,889	20,159	41,469	+257	(2,420)
Net income		15,883	29,015	13,597	27,379	(2,286)	(1,636)
JCC price	US\$/bbl	108.53	110.51	100.00	100.00	(8.53)	(10.51)
Exchange rate	JP¥/US\$	97.58	99.31	100.00	100.00	+2.42	+0.69
Bitumen price	CA\$/bbl	52.22	51.67	54.42	54.15	+2.20	+2.48
Exchange rate	JP¥/CA\$	94.01	98.42	95.00	95.00	+0.99	(3.42)

Point FY2015 vs FY2014

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

Operating income
+¥ 8.4 billion

Exploration expenses
+¥ 5.9 billion

Ordinary income
-¥ 2.4 billion

Non-operating income
(expenses)
-¥ 10.8 billion

Net income
-¥ 1.6 billion

Extraordinary income
(losses)
+¥ 8.3 billion

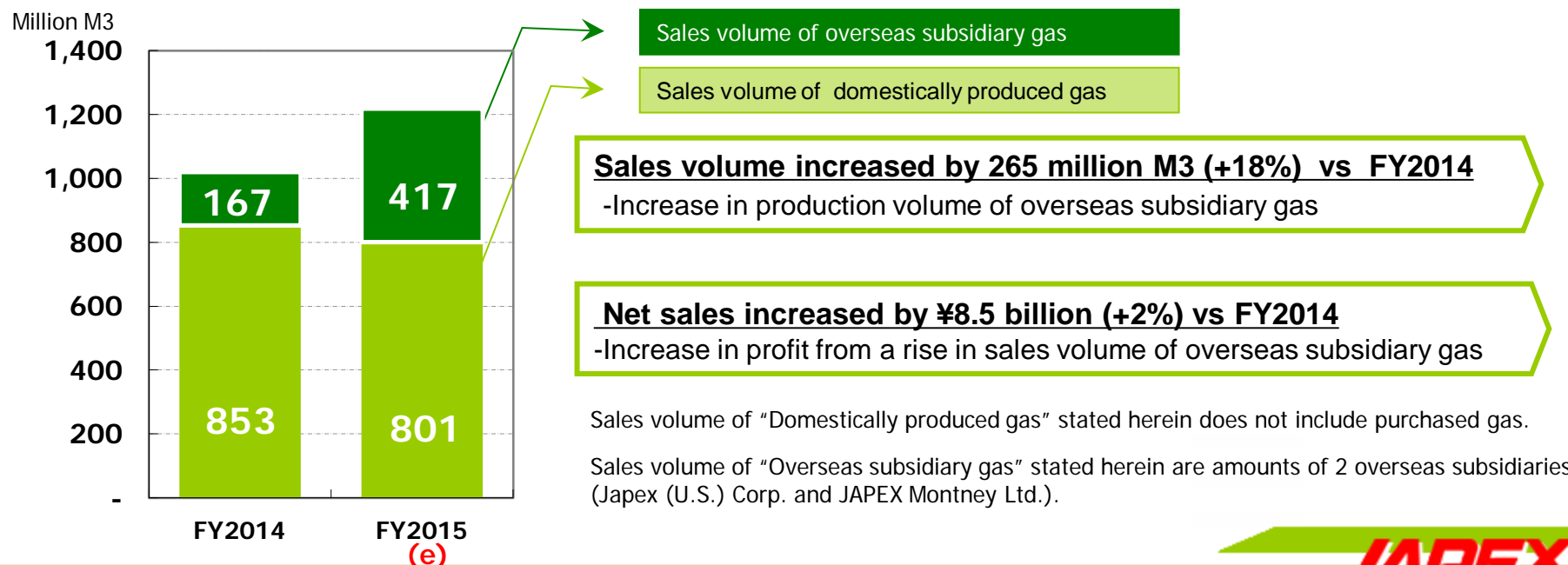
Income taxes
-¥ 6.6 billion

Estimated Sales of Natural Gas for FY2015 (vs FY2014)

Sales volume : Million M3 Net sales : Million ¥		FY 2014		FY 2015		change	
		1H (a)	Full (a)	1H (e)	Full (e)	1H	Full
Natural gas :	Sales volume	614	1,418	770	1,684	+155	+265
	Net sales	31,883	71,584	36,293	80,169	+4,409	+8,585

Breakdown of equity natural gas

Domestically produced gas:	Sales volume	408	853	381	801	(28)	(53)
Overseas subsidiary gas:	Sales volume	37	167	200	417	+163	+249



Estimated Sales of Crude Oil for FY2015 (vs FY2014)

Sales volume : Thousand KL Net sales : Million ¥		FY 2014		FY 2015		change	
		1H (a)	Full (a)	1H (e)	Full (e)	1H	Full
Crude oil:	Sales volume	877	1,902	1,443	2,695	+565	+793
	Net sales	53,919	119,370	85,582	158,248	+31,662	+38,878

Breakdown of equity oil

Domestically produced crude oil:	Sales volume	188	390	207	391	+18	+1
	Net sales	12,828	27,391	13,221	25,176	+493	(2,216)
Overseas subsidiary crude oil:	Sales volume	8	280	585	1,223	+576	+943
	Net sales	478	18,070	35,388	73,948	+34,909	+55,878
Bitumen:	Sales volume	165	342	161	330	(4)	(12)
	Net sales	5,110	10,962	5,245	10,666	+135	(295)

Oil price and Exchange rate assumptions

JCC price	US\$/bbl	108.53	110.51	100.00	100.00	(8.53)	(10.51)
Exchange rate	JP¥ / US\$	97.58	99.31	100.00	100.00	+2.42	+0.69
Bitumen price	CA\$/bbl	52.22	51.67	54.42	54.15	+2.20	+2.48
Exchange rate	JP¥ / CA\$	94.01	98.42	95.00	95.00	+0.99	(3.42)

Domestically produced crude oil : [-] Fall in sales prices

Overseas subsidiary crude oil [+] Increase in sales volume

Bitumen : [-] Decline in sales volume

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 3 overseas subsidiaries (Japex (U.S.) Corp., JAPEX Montney Ltd. and Japex Garraf Ltd.).

Estimates for FY2015

[Million ¥]	FY2014 (a)	FY2015 (e)	Change
Net sales	276,588	323,633	+47,044
Gross profit	66,127	70,611	+4,483
Exploration expenses	9,800	3,892	(5,908)
SG&A expenses	31,692	33,642	+1,949
Operating income	24,634	33,077	+8,442
Non-operating income (expenses)	19,255	8,393	(10,862)
Ordinary income	43,889	41,469	(2,420)
Extraordinary income (losses)	(8,305)	(1)	+8,304
Income taxes	5,566	12,195	+6,628
Minority interests in income	1,002	1,895	+892
Net income	29,015	27,379	(1,636)

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

Gross profit

Domestic crude oil and natural gas - ¥2.7 billion
 Asset retirement obligations + ¥2.4 billion
 Overseas consolidated subsidiaries +¥ 4.6 billion

Exploration expenses

Domestic exploration + ¥5.9 billion

Non-operating income (expenses)

Share of profit of entities accounted for using
 equity method - ¥8.8 billion
 Foreign exchange profit or loss - ¥1.1 billion

Extraordinary income (losses)

Impairment loss for the business assets for
 production operation of Yufutsu oil & gas field
 +¥7.9 billion

Oil Price and Exchange Rate Assumptions and Impact on Profits

Assumption	JCC price	Exchange rate	Bitumen price
	US\$/bbl	JP¥ / US\$	CA\$/bbl (JP¥ /CA\$)
FY2015 Impact on Profits	US\$ 1/bbl increase in JCC prices would push profits up by...	JP¥ 1/US\$ weakening in exchange rates would push profits up by...	CA\$ 1/bbl increase in bitumen prices would push profits up by...
Operating income	JP¥ 510 million	JP¥ 680 million	(2.07 million CA\$) JP¥ 200 million
Net income	JP¥ 350 million	JP¥ 370 million	(1.46 million CA\$) JP¥ 140 million

		FY2014			FY2015			change
		1H (a)	2H (a)	Full (a)	1H (e)	2H (e)	Full (e)	
JCC price	US\$/bbl	108.53	112.33	110.51	100.00	100.00	100.00	(10.51)
Exchange rate	JP¥/US\$	97.58	100.84	99.31	100.00	100.00	100.00	+0.69
Bitumen price	CA\$/bbl	52.22	51.16	51.67	54.42	53.89	54.15	+2.48
Exchange rate	JP¥/CA\$	94.01	98.42	98.42	95.00	95.00	95.00	(3.42)

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.