



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

**Consolidated Financial Results
for the Six Months Ended September 30, 2014
<Supplementary Material>**

November 7, 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

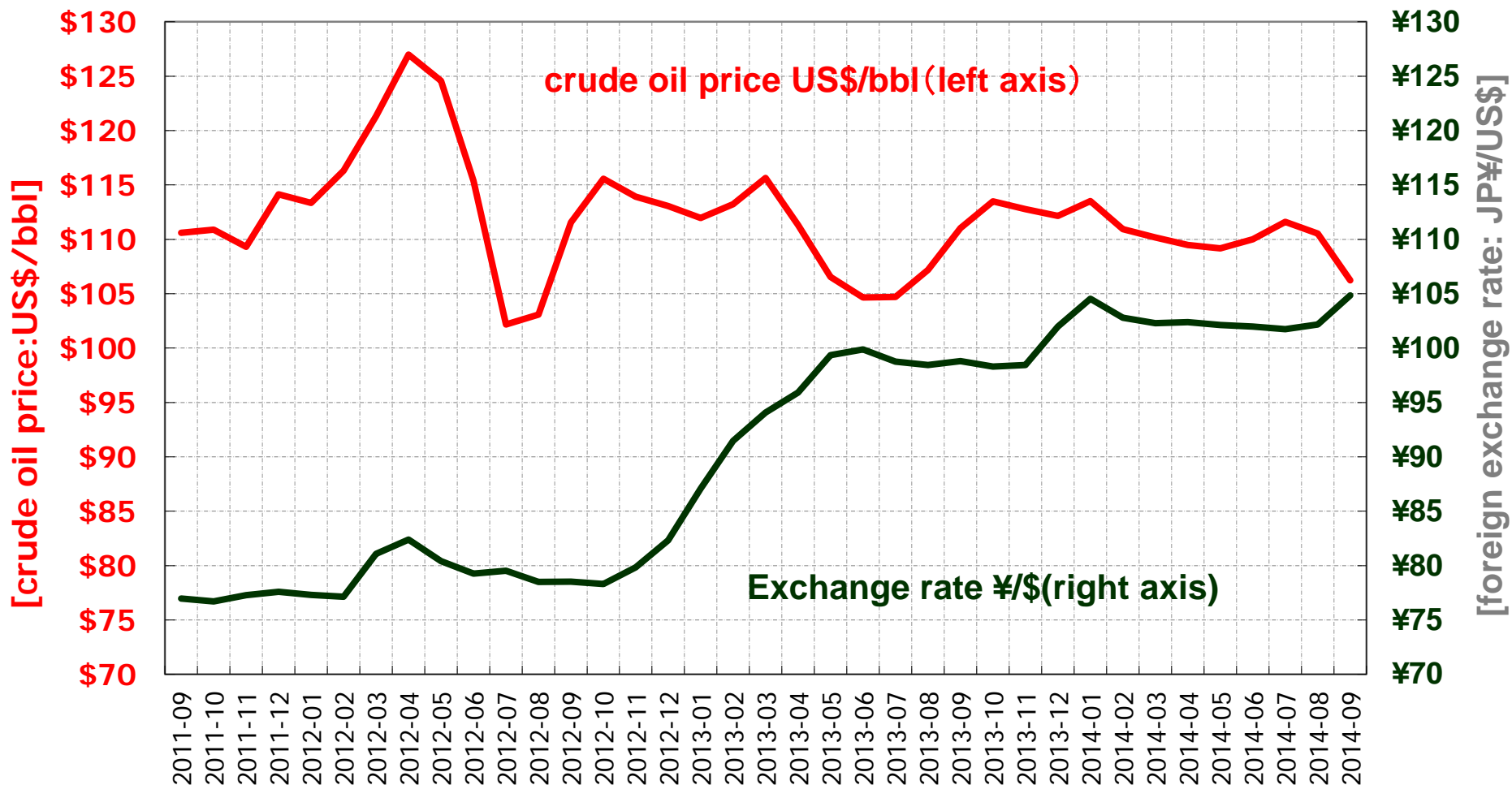
(e) = Estimate

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

Any inquiries about the information contained herein or other Investor Relations questions are requested to be directed to:

Investor Relations Group,
Media & Investor Relations Department,
Japan Petroleum Exploration Co., Ltd.
Tokyo, JAPAN
TEL: +81-3-6268-7111

Trends in Crude Oil Prices and Foreign Exchange Rate



Japan Crude Cocktail (JCC) Price in the first 10 days of October 2014
on a prompt report basis : **US\$ 102.81/bbl** **JP¥ 108.49/US\$**

Revised Estimates for FY2015 (Highlight)

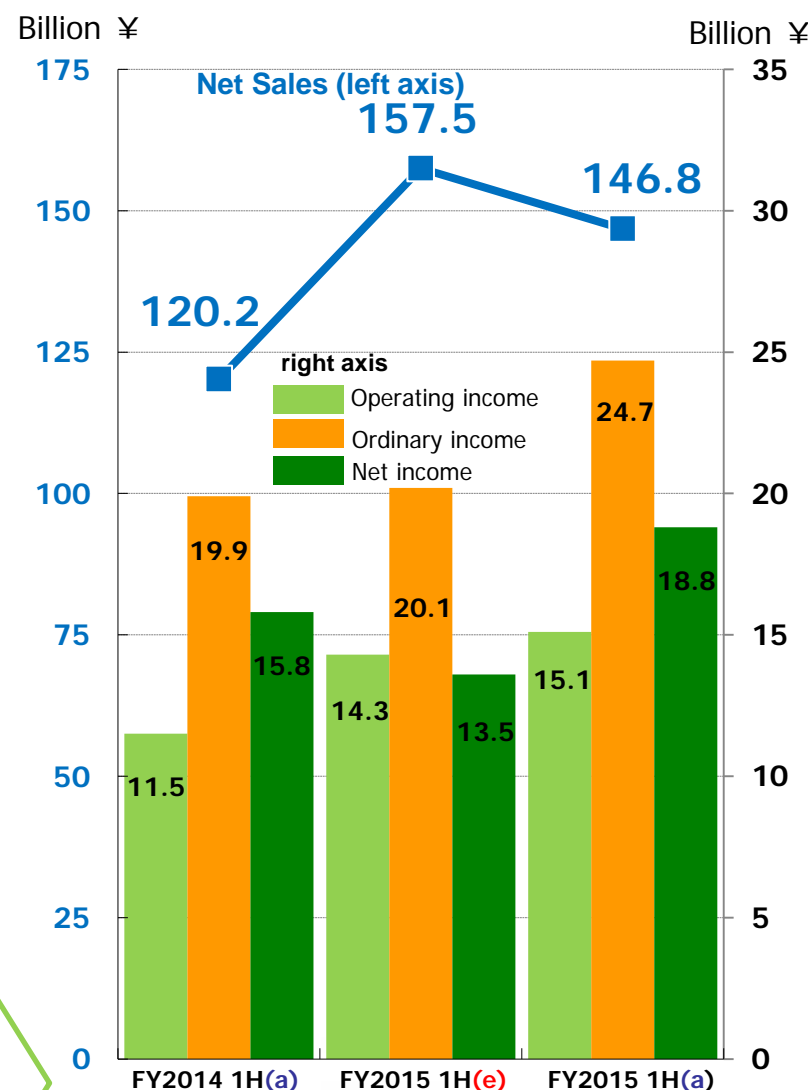
Billion ¥	FY2014	FY2015				Change	
	Full (a)	Initial Estimate 1H(e) May12'14①	1H (a) ②	Initial Estimate Full (e) May12'14③	Revised Estimate Full (e) Nov.7'14④	1H (②-①)	Full (④-③)
Net sales	276.5	157.5	146.8	323.6	324.3	▲10.6	+0.7
Operating income	24.6	14.3	15.1	33.0	34.6	+0.7	+1.6
Ordinary income	43.8	20.1	24.7	41.4	48.8	+4.5	+7.3
Net income(loss)	29.0	13.5	18.8	27.3	35.3	+5.2	+7.9

JCC price	US\$/bbl	110.51	100.00	110.06	100.00	101.27	+10.06	+1.27
Exchange rate	Yen/bbl	99.31	100.00	102.13	100.00	103.43	+2.13	+3.43
Bitumen price	CA\$/bbl	51.67	54.42	58.93	54.15	58.16	+4.51	+4.01
Exchange rate	Yen/CA\$	98.42	95.00	95.04	95.00	95.00	+0.04	—

Revised Estimate Full (e) Nov.7'14		1Q (a)	2Q (a)	3Q (e)	4Q (e)
JCC price	US\$/bbl	109.51	110.70	100.00	85.00
Exchange rate	Yen/US\$	102.27	101.96	105.00	105.00

Actual Financial Results for 1H FY2015 (Summary)

Billion ¥	FY2014 1H (a)	FY2015 1H (e) (May12 '14)	FY2015 1H (a)	change vs Initial Estimate %
Net Sales	120.2	157.5	146.8	▲6%
Operating income	11.5	14.3	15.1	+5%
Ordinary income	19.9	20.1	24.7	+22%
Net income	15.8	13.5	18.8	+38%
JCC price US\$/bbl	108.53	100.00	110.06	
Exchange rate JP¥/US\$	97.58	100.00	102.13	
Bitumen price CA\$/bbl	52.22	54.42	58.93	
Exchange rate JP¥/CA\$	94.01	95.00	95.04	



Main points of difference with initial estimate and FY2015

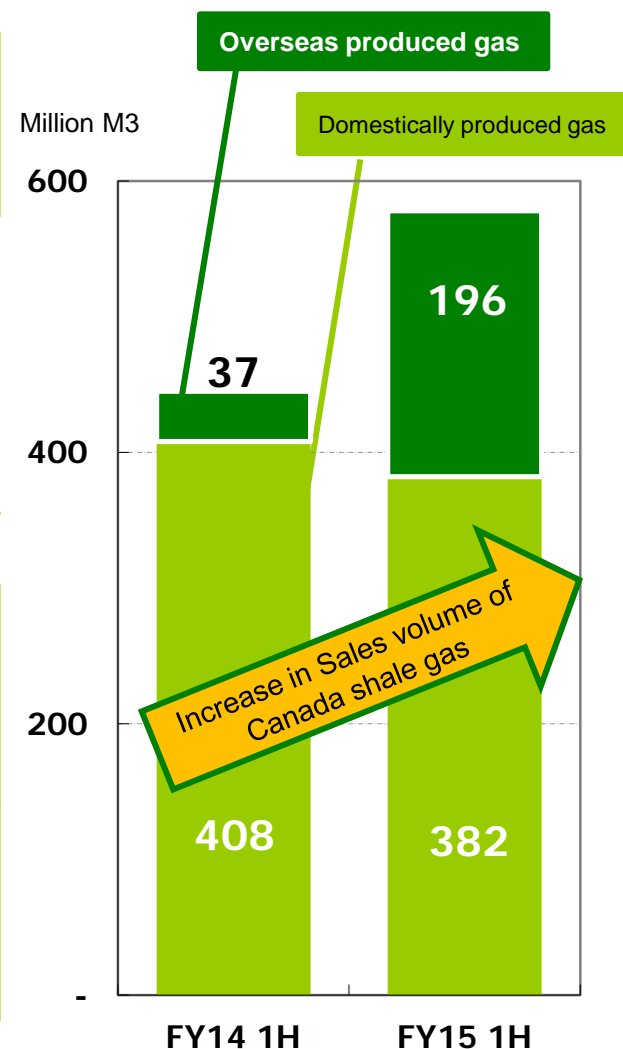
□ Net Sales	▲ ¥10.6 billion	
□ Operating income	+¥ 0.7 billion	
□ Ordinary income	+¥ 4.5 billion	Equity in losses of affiliates +¥ 3.8 billion
□ Net income	+¥ 5.2 billion	

Actual Sales of Natural Gas in 1H FY2015 (vs FY2014)

Sales volume : Million M3 Net sales : Million ¥	FY2014 1H (a)	FY2015 1H (a)	change
Natural gas			
Sales volume	614	775	+160
Net sales	31,883	37,458	+5,575

Breakdown of natural gas sales

Domestically produced gas	Sales volume	408	382	▲26
Overseas produced gas	Sales volume	37	196	+159



Sales volume of "Domestically produced gas" stated herein does not include purchased gas. "Overseas produced gas" stated herein are amounts of Japex (U.S.) Corp. and JAPEX Montney Ltd., overseas consolidated subsidiaries.

Actual Sales of Crude Oil in 1H FY2015 (vs FY2014)

Sales volume : Thousand KL Net sales : Million ¥		FY2014 1H(a)	FY2015 1H(a)	change
Crude oil:	Sales volume	877	1,107	+230
	Net sales	53,919	73,500	+19,581

Breakdown of equity oil

Domestically produced crude oil:	Sales volume	188	190	+2	Rise in sales price
	Net sales	12,828	13,768	+940	
Overseas subsidiary crude oil:	Sales volume	8	273	+265	Commencement of sales of crude oil from Garraf oil field
	Net sales	478	18,568	+18,090	
Bitumen:	Sales volume	165	152	▲13	Rise in sales price
	Net sales	5,110	5,382	+272	

Oil price and Exchange rate assumptions

JCC price	US\$/bbl	108.53	110.06	+1.53
Exchange rate	JP¥ / US\$	97.58	102.13	+4.55
Bitumen price	CA\$/bbl	52.22	58.93	+6.71
Exchange rate	JP¥ / CA\$	94.01	95.04	+1.03

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.).

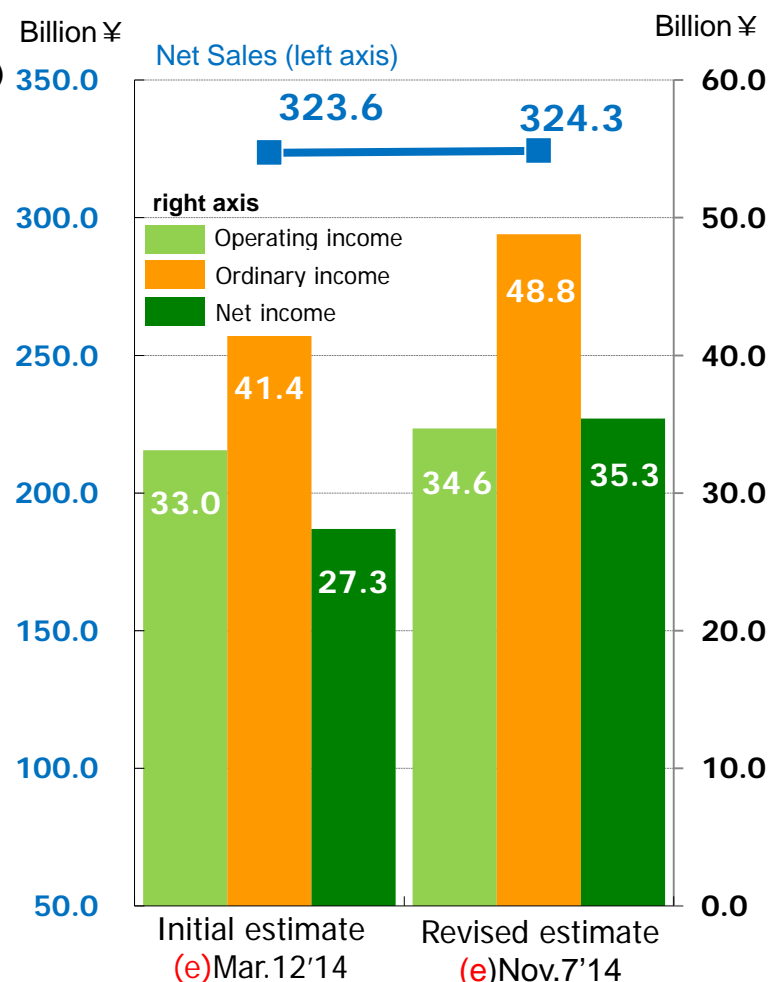
Actual Financial Results for 1H FY2015 (vs FY2014)

[Million ¥]	FY2014	FY2015	Change	Causes of increase(+) or decrease(▲)
	1H(a)	1H(a)		
Net sales	120,281	146,850	+26,568	
Gross profit	32,161	34,515	+2,354	Gross profit Domestic crude oil and natural gas ▲¥0.8billion Overseas consolidated subsidiaries +¥3.5 billion
Exploration expenses	5,723	3,260	▲2,463	Exploration expenses Domestic exploration +3.0billion Overseas exploration ▲0.5billion
SG&A expenses	14,893	16,143	+1,250	
Operating income	11,543	15,110	+3,567	
Non-operating income (expenses)	8,358	9,625	+1,267	Non-operating income (expenses) Share of profit of entities accounted for using equity method +¥3.1 billion Provision for loss in overseas investment ▲¥0.7 billion other ▲ ¥1.2 billion
Ordinary income	19,902	24,736	+4,834	
Extraordinary income (losses)	2	13	+11	
Income taxes	3,983	4,781	+798	
Minority interests in income	38	1,095	+1,057	
Net income	15,883	18,873	+2,990	

Revised Estimates in FY2015 (Summary)

[Billion ¥]	Initial Estimate Full(e) May12'14	Revised Estimate Full(e) Nov.7'14	change	Change VS Initial Estim (e) (%)	Billion ¥
Net Sales	323.6	324.3	+0.7	+0%	350.0
Operating income	33.0	34.6	+1.6	+4%	300.0
Ordinary income	41.4	48.8	+7.3	+17%	250.0
Net income	27.3	35.3	+7.9	+29%	200.0
JCC price US\$/bbl	100.00	101.27	+1.27		150.0
Exchange rate JP¥/US\$	100.00	103.43	+3.43		100.0
Bitumen price CA\$/bbl	54.15	58.16	+4.01		50.0
Exchange rate JP¥/CA\$	95.00	95.00	—		0.0

Revised Estimate	1Q (a)	2Q (a)	3Q (e)	4Q (e)
JCC price US\$/bbl	109.51	110.70	100.00	85.00
Bitumen price CA\$/bbl	56.57	61.84	55.83	59.27

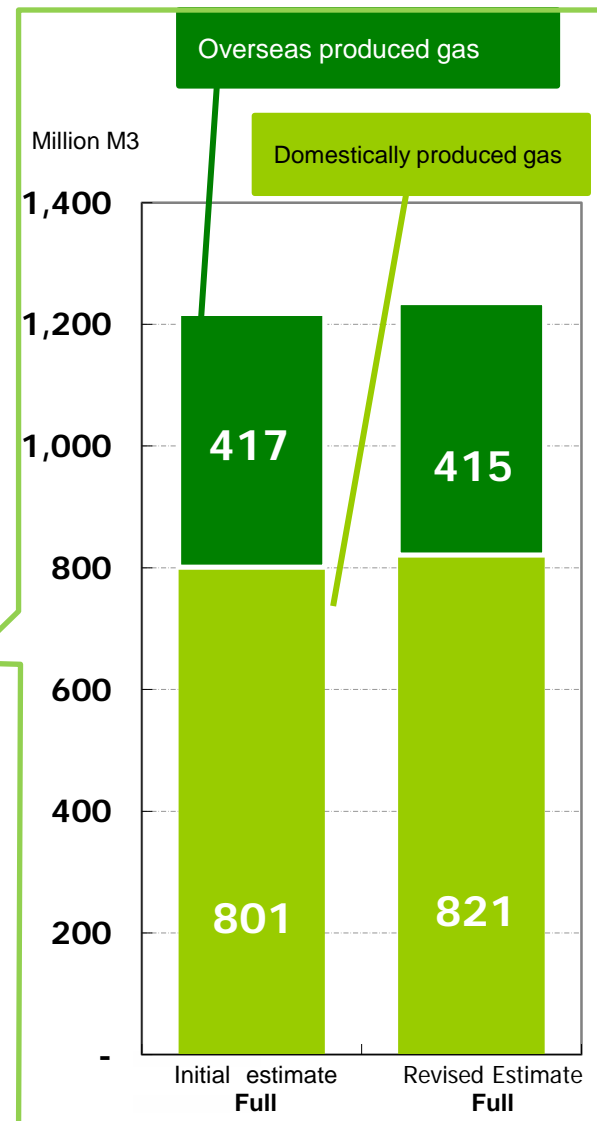


Main points of difference with initial estimate causes of increase(+) or decrease(▲)

- Operating income **+¥1.6 billion** Gross profit +¥2.3 billion , Exploration expenses ▲¥0.8 billion
- Ordinary income **+¥7.3 billion** Share of profit of entities accounted for using equity method +¥6.2 billion
- Net income **+¥7.9 billion**

Revised Estimated Natural Gas Sales in FY2015 (vs Initial Estimate)

Sales volume : Million M3 Net sales : Million ¥		Initial Estimate Full(e) May12'14	Revised Estimate Full(e) Nov.7'14	change
Natural gas :	Sales volume	1,684	1,712	+28
	Net sales	80,169	85,337	+5,168



Breakdown of equity natural gas

Domestically produced gas:	Sales volume	801	821	+20
Overseas subsidiary produced gas:	Sales volume	417	415	▲1

Sales volume of "Domestically produced gas" stated herein does not include purchased gas. "Overseas produced gas" stated herein are amounts of Japex (U.S.) Corp. and JAPEX Montney Ltd., overseas consolidated subsidiaries.

Revised Estimated Crude Oil Sales in FY2015 (vs FY2015)

Sales volume : Thousand KL Net sales : Million ¥		Initial Estimate Full(e) May12'14	Revised Estimate Full(e) Nov.7'14	change
Crude oil:	Sales volume	2,695	2,517	▲178
	Net sales	158,248	152,258	▲5,990

Breakdown of equity oil

Domestically produced crude oil:	Sales volume	391	378	▲13
	Net sales	25,176	25,524	+348
Overseas subsidiary crude oil:	Sales volume	1,223	1,059	▲164
	Net sales	73,948	63,496	▲10,452
Bitumen:	Sales volume	330	330	+0
	Net sales	10,666	11,471	+805

Oil price and Exchange rate assumptions

JCC price	US\$/bbl	100.00	101.27	+1.27
Exchange rate	JP¥/US\$	100.00	103.43	+3.43
Bitumen price	CA\$/bbl	54.15	58.16	+4.01
Exchange rate	JP¥/CA\$	95.00	95.00	—

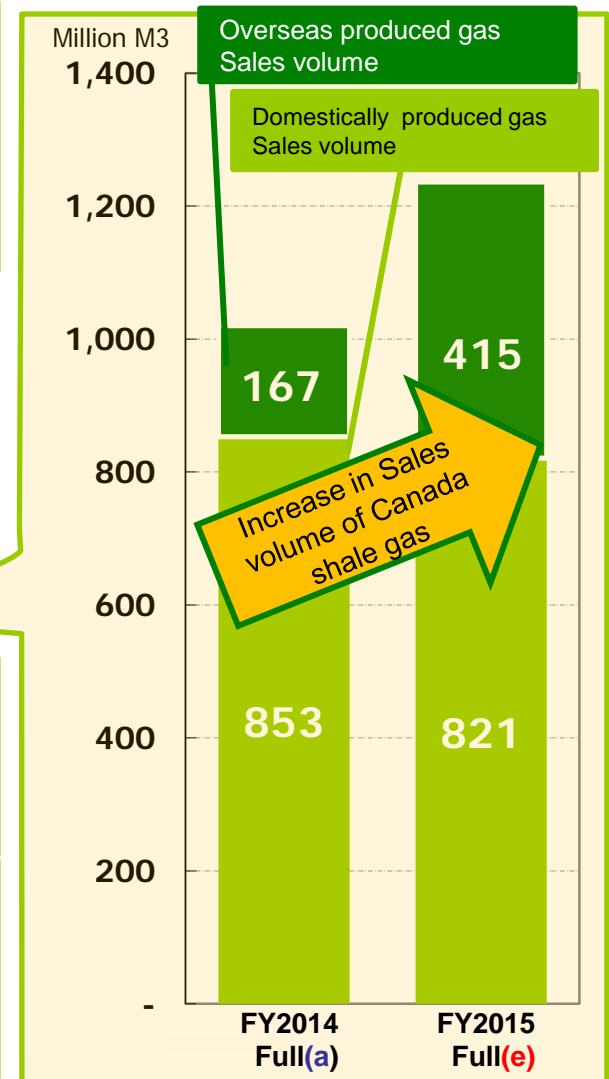
Sales volume and net sales of "Domestically produced crude oil" stated herein do not include purchased crude oil. Royalty is excluded in the net sales and price of Bitumen. Sales volume and net sales of "Overseas subsidiary crude oil" stated herein are amounts of 3 overseas subsidiaries (Japex (U.S.) Corp., JAPEX Montney Ltd. and Japex Garraf Ltd.).

Revised Estimate for FY2015 (vs Initial Estimate)

Million ¥	Initial Estimate Full(e) May12'14	Revised Estimate Full(e) Nov.7'14	change	Causes of increase(+) or decrease(▲)
Net sales	323,633	324,378	+745	Gross profit Domestic crude oil and natural gas +¥1.3billion Overseas consolidated subsidiaries +¥0.8billion
Gross profit	70,611	72,981	+2,371	
Exploration expenses	3,892	4,712	+820	Exploration expenses Domestic exploration ▲¥0.5billion Overseas exploration ▲¥0.3billion
SG&A expenses	33,642	33,588	▲54	
Operating income	33,077	34,681	+1,605	Non-operating income (losses) Equity in earnings +¥6.2billion Allowance for overseas investment loss ▲¥0.6billion
Non-operating income	8,393	14,138	+5,745	
Ordinary income	41,469	48,819	+7,350	
Extraordinary income	▲1	▲10	▲9	
Income taxes	12,195	11,000	▲1,195	
Minority interests in income	1,895	2,436	+541	
Net income	27,379	35,374	+7,996	

Revised Estimated Natural Gas Sales in FY2015 (vs FY2014)

Sales volume : Million M3 Net sales: Million ¥	FY 2014 Full(a)	FY 2015 Revised Estimate Full(e) Nov.7'14	Change
Natural gas Sales volume	1,418	1,712	+293
Net sales	71,584	85,337	+13,753



Breakdown of equity natural gas

Domestically produced gas Sales Volume	853	821	▲33
Overseas produced gas Sales volume	167	415	+248

Sales volume of "Domestically produced gas" stated herein does not include purchased gas. "Overseas produced gas" stated herein are amounts of Japex (U.S.) Corp. and JAPEX Montney Ltd., overseas consolidated subsidiaries.

Revised estimated crude oil sales in FY2015 (vs FY2014)

Sales volume: Thousand KL sales: Million Yen	Net	FY 2014 Full(a)	FY 2015 Revised Estimate Full(e) Nov.7'14	Change (VS FY2014)
Crude oil:	Sales volume	1,902	2,517	+615
	Net sales	119,370	152,258	+32,887

Breakdown of equity oil

Domestically produced crude oil	Sales volume	390	378	▲12
	Net sales	27,391	25,524	▲1,868
Overseas subsidiary produced crude oil	Sales volume	280	1,059	+779
	Net sales	18,070	63,496	+45,426
Bitumen	Sales volume	342	330	▲13
	Net sales	10,962	11,471	+509

Oil price and Exchange rate assumptions

JCC price	US\$/bbl	110.51	101.27	▲9.24
Exchange rate	JP¥/US\$	99.31	103.43	+4.12
Bitumen	CA\$/bb	51.67	58.16	+6.49
Exchange rate	JP¥/CA\$	98.42	95.00	▲3.42

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 FY2015 (vs FY2014)

Million ¥	FY 2014 Full(a)	FY 2015 Revised Estimate Full(e) Nov.7'14	change	Causes of increase(+) or decrease(▲)
Net sales	276,588	324,378	+47,789	Gross profit Domestic crude oil and natural gas +¥1.6billion Overseas consolidated subsidiaries +¥5.4billion
Gross profit	66,127	72,981	+6,853	
Exploration expenses	9,800	4,712	▲5,088	Exploration expenses Domestic exploration +5.4billion Overseas exploration ▲0.3billion
SG&A expenses	31,692	33,588	+1,895	
Operating income	24,634	34,681	+10,047	Non-operating income (losses) Share of profit of entities accounted for using equity method ▲¥2.6 billion Provision for loss in overseas investment ▲¥0.7 billion other ▲ ¥1.3 billion
Non-operating income	19,255	14,138	▲5,117	
Ordinary income	43,889	48,819	+4,930	
Extraordinary income	▲8,305	▲10	+8,296	Extraordinary income Impairment loss for the business assets for production operation of Yufutsu oil & gas field +¥7.9billion
Income taxes	5,566	11,000	+5,433	
Minority interests in income	1,002	2,436	+1,433	
Net income	29,015	35,374	+6,359	

Crude oil Price and Exchange Rate Assumptions and Impact on Profits [3Q-4Q]

		FY2014			FY2015				
		1H (a)	2H (a)	1Q-4Q(a)	1stQ(a)	2ndQ(a)	3rdQ(e)	4thQ(e)	1Q-4Q(e)
JCC price	US\$/bbl	108.53	112.33	110.51	109.51	110.70	100.00	85.00	101.27
Exchange rate	JP¥/US\$	97.58	100.84	99.31	102.27	101.96	105.00	105.00	103.43
Bitumen price	CA\$/bbl	52.22	51.16	51.67	56.57	61.84	55.83	59.27	58.16
Exchange rate	JP¥/CA\$	94.01	98.42	98.42	93.17	95.04	98.04	95.00	95.00

Assumption [3Q-4Q]	JCC price US\$ 92.43/bbl	Exchange rate 105.00JP¥/US\$	Bitumen (4thQ) CA\$ 59.27/bbl (95.00 JP¥/CA\$)
Impact on Profits [3Q-4Q]	US\$ 1 /bbl increase in crude oil prices would push profits up by...	A weakening in Yen 1/US\$ would push profits up by...	CAD 1/bbl increase in bitumen prices would push profits up by...
Operating income	190 Million Yen	300 Million Yen	(1.11 Million CA\$) 110 Million Yen
Net income	140 Million Yen	140 Million Yen	(0.71 Million CA\$) 70 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.