



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

**Presentation Meeting
of Consolidated Financial Results
for the Fiscal Year Ended March 31, 2015
(FY3/15)**

May 13 , 2015

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 (FY3/15, for instance, means 12 months ended March 31, 2015)

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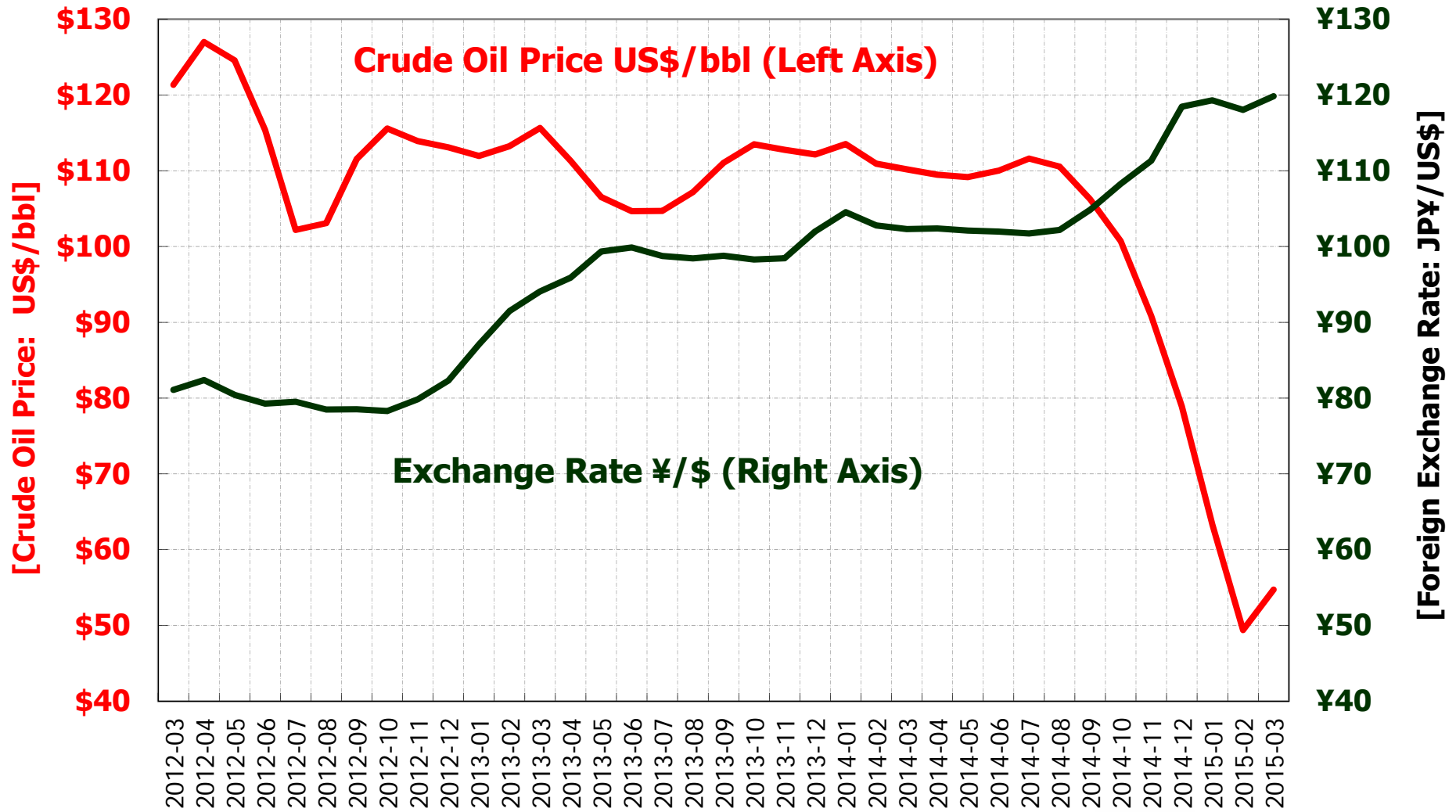
President

Osamu Watanabe

1. Business Overview

President Osamu Watanabe

Trends in Crude Oil Price and Foreign Exchange Rate



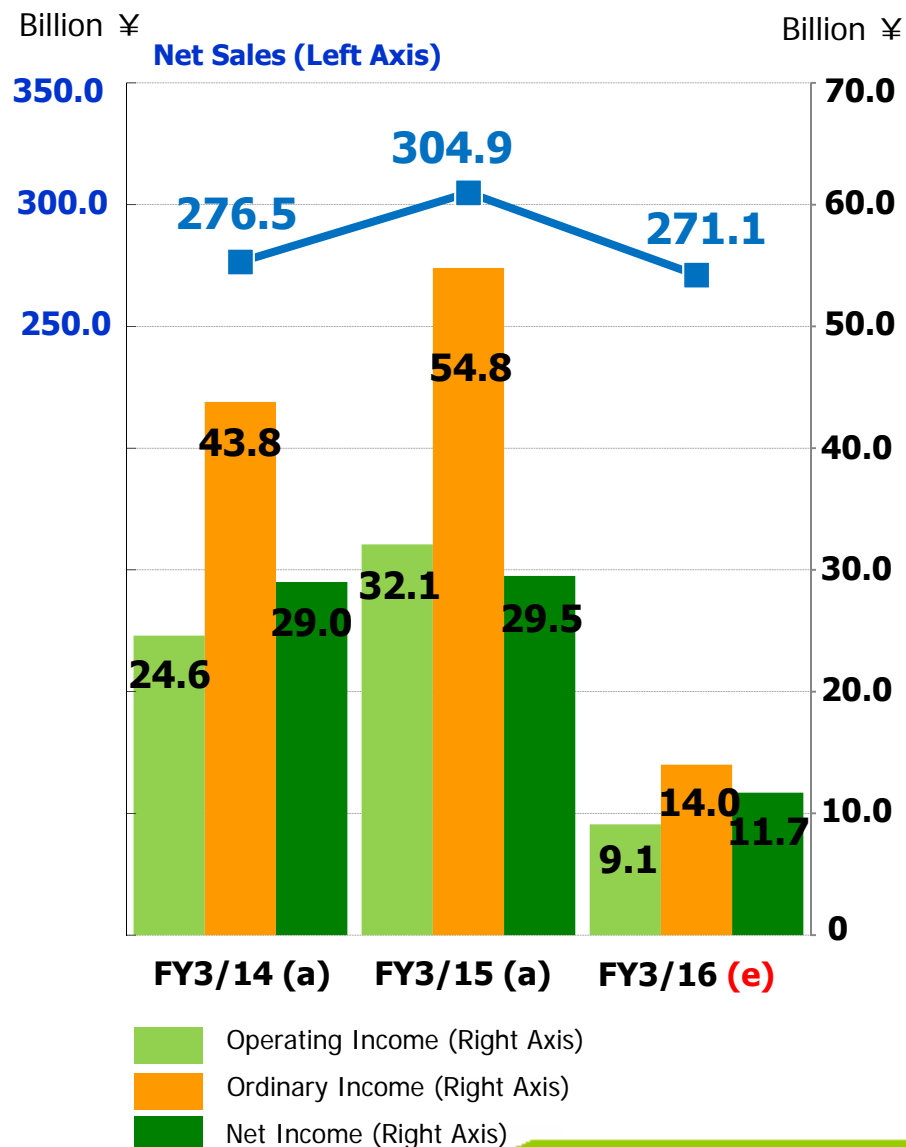
Actual Results for FY3/15 and Estimate for FY3/16 (Highlight)

Actual Results for FY3/15 (vs FY3/14)

[Billion ¥]	FY3/14 (a)	FY3/15 (a)	Difference	
Net Sales	276.5	304.9	+28.3	+10%
Operating Income	24.6	32.1	+7.5	+31%
Ordinary Income	43.8	54.8	+10.9	+25%
Net Income	29.0	29.5	+0.5	+2%
JCC Price (US\$/bbl)	110.51	96.48	(14.03)	(13%)
Exchange Rate (JP¥/US\$)	99.31	106.23	+6.92	+7%

Estimate for FY 3/16 (vs FY3/15)

[Billion ¥]	FY3/15 (a)	FY3/16 (e)	Difference	
Net Sales	304.9	271.1	(33.7)	(11%)
Operating Income	32.1	9.1	(23.0)	(72%)
Ordinary Income	54.8	14.0	(40.8)	(74%)
Net Income	29.5	11.7	(17.8)	(60%)
JCC Price (US\$/bbl)	96.48	60.00	(36.48)	(37%)
Exchange Rate (JP¥/US\$)	106.23	115.00	+8.77	+8%



2. Actual Results for FY3/15

Executive Officer Michiro Yamashita

Actual Results for FY3/15 (Highlight)

[Million ¥]	FY3/14 Actual (a)	FY3/15		
		Initial Estimate (e) (May 2014)	Revised Estimate (e) (Nov. 2014)	Actual (a)
Net Sales	276,588	323,633	324,378	304,911
Operating Income	24,634	33,077	34,681	32,146
Ordinary Income	43,889	41,469	48,819	54,839
Net Income	29,015	27,379	35,374	29,567

Oil price and Exchange rate assumptions

JCC Price (US\$/bbl)	110.51	100.00	101.27	96.48
Exchange Rate (JP¥/US\$)	99.31	100.00	103.43	106.23
Bitumen Price (CA\$/bbl)	51.67	54.15	58.16	55.74
Exchange Rate (JP¥/CA\$)	98.42	95.00	95.00	103.63

◆ **Initial Estimate (May 2014)** → **Revised Estimate (Nov. 2014)**
 【+】 Increase of Natural Gas Sales, Increase of Equity Method Income, etc.
 【-】 Decrease of Oil Sales, etc.

◆ **Revised Estimate (Nov. 2014)** → **Actual Result**
 【+】 Increase of Exchange Profit, Increase of Equity Method Income, etc.
 【-】 Decrease of Oil Sales, Decrease of Sales Price, Impairment Loss, etc.

Actual Results for FY3/15 (vs Revised Estimate for FY3/15)

[Million ¥]	FY3/15(e)	FY3/15(a)	Change
Net sales	324,378	304,911	(19,467)
Gross profit	72,981	70,262	(2,719)
Exploration expenses	4,712	4,489	(223)
SG&A expenses	33,588	33,625	+37
Operating income	34,681	32,146	(2,535)
Non-operating income (expenses)	14,138	22,692	+8,554
Ordinary income	48,819	54,839	+6,020
Extraordinary income (losses)	(10)	(4,465)	(4,455)
Income taxes	11,000	17,644	+6,644
Minority interests in income	2,436	3,161	+725
Net income	35,374	29,567	(5,807)

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

Gross profit

Domestic crude oil and natural gas - ¥2.0 billion

Non-operating income (expenses)

Share of profit of entities accounted for using Equity method + ¥2.5 billion
Exchange Profit + ¥6.0 billion

Extraordinary income (losses)

Impairment loss on overseas development assets - ¥3.9 billion

Income Taxes

Tax effect not applicable to extraordinary loss - ¥1.6 billion
Deferred tax liabilities associated with the tax reform - ¥1.8 billion
Other deferred tax assets review - ¥3.2 billion

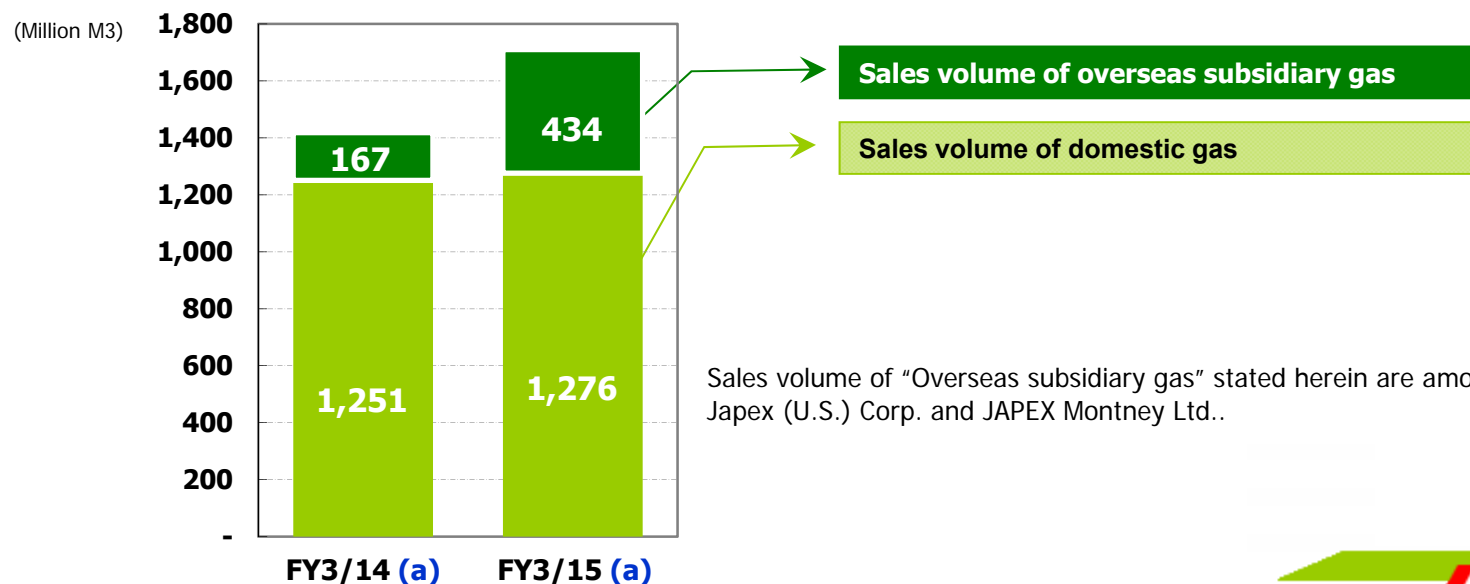
		1Q	2Q	3Q	4Q	1Q-4Q
CIF price	Conventional	109.51	110.70	100.00(e)	85.00(e)	101.27(e)
	US\$/bbl Actual			99.69 (a)	64.58(a)	96.48(a)
Exchange rate	Conventional	102.27	101.96	105.00(e)	105.00(e)	103.43(e)
	JP¥/US\$ Actual			107.77(a)	118.69(a)	106.23(a)

Actual sales of Natural gas for FY3/15 (vs FY3/14)

Sales volume : Million M3 Net sales : Million ¥		FY3/14		FY3/15		change	
		1H (a)	Full (a)	1H (a)	Full (a)	1H	Full
Natural gas	Sales volume	614	1,418	775	1,710	+160	+291
	Net sales	31,883	71,584	37,458	83,974	+5,575	+12,390

Breakdown of equity natural gas

Domestic gas sales	Sales volume	577	1,251	578	1,276	+1	+25
(Domestically produced gas)	Sales volume	408	853	382	813	(26)	(39)
Overseas subsidiary gas sales	Sales volume	37	167	196	434	+158	+266



Actual Sales of Crude Oil for FY3/15 (vs FY3/14)

		FY3/14		FY3/15		change	
		1H (a)	Full (a)	1H (a)	Full (a)	1H	Full
Sales volume : Thousand KL							
Net sales : Million ¥							
Crude oil:	Sales volume	877	1,902	1,107	2,396	+229	+494
	Net sales	53,919	119,370	73,500	133,346	+19,581	+13,975

Breakdown of equity oil

Domestically produced crude oil:	Sales volume	188	390	190	367	+1	(22)
	Net sales	12,828	27,391	13,768	23,857	+940	(3,534)
Overseas subsidiary crude oil:	Sales volume	8	280	273	830	+264	+549
	Net sales	478	18,070	18,568	43,466	+18,089	+25,395
Bitumen:	Sales volume	165	342	152	332	(12)	(10)
	Net sales	5,110	10,962	5,382	12,105	+271	+1,143

Oil price and Exchange rate

JCC price	US\$/bbl	108.53	110.51	110.06	96.48	+1.53	(14.03)
Exchange rate	JP¥ / US\$	97.58	99.31	102.13	106.23	+4.55	+6.92
Bitumen price	CA\$/bbl	52.22	51.67	58.93	55.74	+6.71	+4.07
Exchange rate	JP¥ / CA\$	94.01	98.42	95.04	103.63	+1.03	+5.21

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 FY3/15 (vs FY3/14)

[Million ¥]	FY3/14	FY3/15	Change
	(a)	(a)	
Net sales	276,588	304,911	+28,322
Gross profit	66,127	70,262	+4,134
Exploration expenses	9,800	4,489	(5,310)
SG&A expenses	31,692	33,625	+1,932
Operating income	24,634	32,146	+7,512
Non-operating income (expenses)	19,255	22,692	+3,437
Ordinary income	43,889	54,839	+10,949
Extraordinary income (losses)	(8,305)	(4,465)	+3,839
Income taxes	5,566	17,644	+12,077
Minority interests in income	1,002	3,161	+2,159
Net income	29,015	29,567	+552

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

Gross profit

Domestic crude oil and natural gas - ¥0.3 billion
Overseas consolidated subsidiaries + ¥5.3 billion

Exploration expenses

Domestic exploration + ¥5.7 billion
Overseas exploration - ¥0.3 billion

Non-operating income (expenses)

Exchange Profit + ¥5.5 billion

Extraordinary income (losses)

Decreased of an impairment loss on domestic business assets + ¥4.0 billion
(FY3/14 Yufutsu: + ¥7.9 billion → FY3/15 Overseas Business: + ¥3.9 billion)

Income Taxes

Corporate tax increase associated with the increase in profit - ¥4.6 billion
Tax effect not applicable to extraordinary loss - ¥1.6 billion
Deferred tax liabilities associated with the tax reform - ¥1.8 billion
Other deferred tax assets review - ¥3.2 billion

3. Estimates for FY3/16

Executive Officer Michiro Yamashita

Estimates for FY3/16 [Assumptions]

[Assumptions of oil/gas price and foreign exchange rate]

	FY3/15 4Q	FY3/16 1Q	FY3/16 2Q	FY3/16 3Q	FY3/16 4Q	FY3/16 Estimate (e)	FY3/15 Actual (a)
CIF price (US\$/bbl)		55.00	60.00	60.00	65.00	60.00	96.48
Exchange rate (JP¥/US\$)		115.00	115.00	115.00	115.00	115.00	106.23
Bitumen (CA\$/bbl)	27.72	32.45	35.16	35.18		32.52	55.74
AECO price (CA\$/MMBtu)	3.50	3.50	3.50	3.50		3.50	4.15
Exchange rate (JP¥/CA\$)	95.00	95.00	95.00	95.00		95.00	103.63

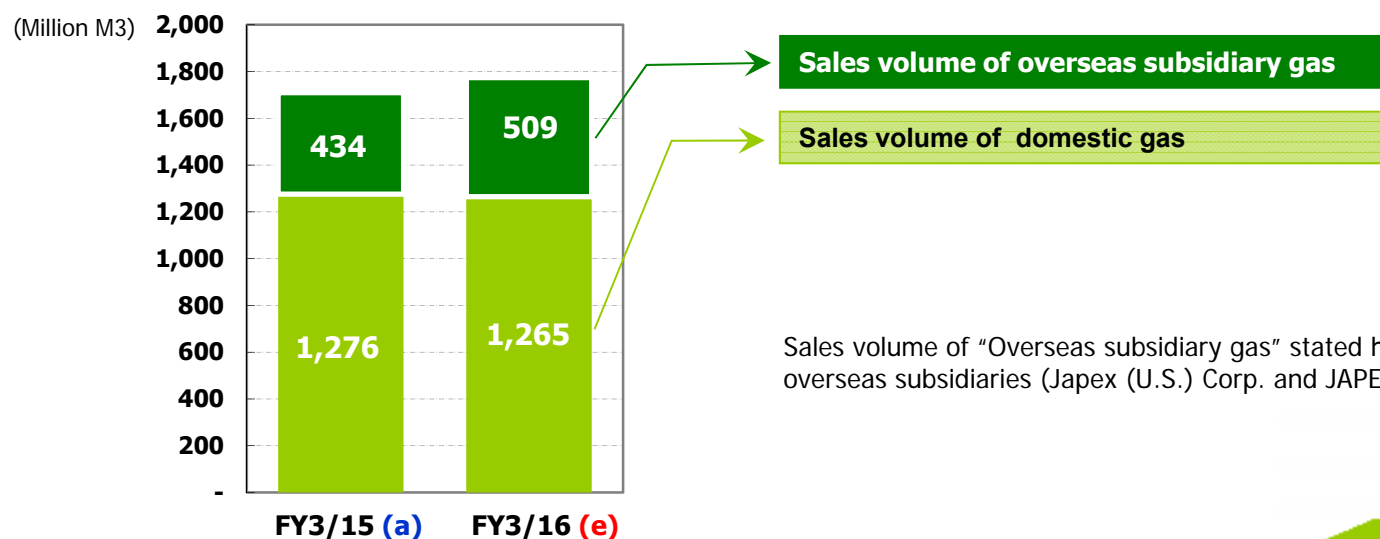
1. Bitumen price is after royalty deduction.
2. "Actual of FY3/15" of Bitumen price and AECO gas price are shown during Jan-Dec 2014.
3. "Actual of FY3/15" of CA\$ exchange price is shown TTM rate on Dec 30, 2014.

Estimated Sales of Natural Gas for FY3/16 (vs FY3/15)

		FY3/15		FY3/16		change	
		1H (a)	Full (a)	1H (e)	Full (e)	1H	Full
Sales volume : Million M3							
Net sales : Million ¥							
Natural gas :	Sales volume	775	1,710	817	1,773	+42	+63
	Net sales	37,458	83,974	31,965	67,856	(5,494)	(16,119)

Breakdown of equity natural gas

Domestic gas sales	Sales volume	578	1,276	573	1,265	(6)	(11)
(Domestically produced gas)	Sales volume	382	813	357	757	(26)	(57)
Overseas subsidiary gas sales	Sales volume	196	434	245	509	+49	+74



Estimated Sales of Crude Oil for FY3/16 (vs FY3/15)

Sales volume : Thousand KL Net sales : Million ¥		FY3/15		FY3/16		change	
		1H (a)	Full (a)	1H (e)	Full (e)	1H	Full
Crude oil:	Sales volume	1,107	2,396	2,069	3,423	+962	+1,026
	Net sales	73,500	133,346	79,233	135,841	+5,733	+2,494

Breakdown of equity oil

Domestically produced crude oil:	Sales volume	190	367	172	335	(19)	(33)
	Net sales	13,768	23,857	7,388	14,964	(6,381)	(8,894)
Overseas subsidiary crude oil:	Sales volume	273	830	1,154	1,827	+881	+997
	Net sales	18,568	43,466	43,630	72,103	+25,062	+28,637
Bitumen:	Sales volume	152	332	145	294	(8)	(39)
	Net sales	5,382	12,105	2,579	5,710	(2,803)	(6,396)

Oil price and Exchange rate assumptions

JCC price	US\$/bbl	110.06	96.48	57.50	60.00	(52.56)	(36.48)
Exchange rate	JP¥ / US\$	102.13	106.23	115.00	115.00	+12.87	+8.77
Bitumen price	CA\$/bbl	58.93	55.74	29.80	32.52	(29.13)	(23.22)
Exchange rate	JP¥ / CA\$	95.04	103.63	95.00	95.00	(0.04)	(8.63)

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 FY3/16 (vs FY3/15)

[Million ¥]	FY3/15	FY3/16	Change
	(a)	(e)	
Net sales	304,911	271,118	(33,794)
Gross profit	70,262	49,475	(20,787)
Exploration expenses	4,489	7,243	+2,753
SG&A expenses	33,625	33,112	(513)
Operating income	32,146	9,120	(23,027)
Non-operating income (expenses)	22,692	4,891	(17,801)
Ordinary income	54,839	14,012	(40,828)
Extraordinary income (losses)	(4,465)	(20)	+4,445
Income taxes	17,644	5,205	(12,439)
Minority interests in income	3,161	(2,919)	(6,081)
Net income	29,567	11,705	(17,863)

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

Gross profit

Domestic crude oil and natural gas - ¥11.8billion
Overseas consolidated subsidiaries - ¥ 9.8 billion

Exploration expenses

Domestic exploration - ¥0.3 billion
Overseas exploration - ¥2.3 billion

Non-operating income (expenses)

Share of profit of entities accounted for using equity method - ¥9.7 billion
Exchange profit - ¥6.8 billion

Extraordinary income (losses)

Decreased of an impairment loss on overseas business assets +¥3.9 billion

Oil Price and Exchange Rate Assumptions and Impact on Profits

Assumption	JCC price 60 US\$/bbl	Exchange rate 115.00 JP¥ / US\$	Bitumen price 32.52CA\$/bbl (95.00 JP¥ / CA\$)
FY3/16 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¥ 490 million	JP¥ 450 million	(1.83 million CA\$) JP¥ 170 million
Net income	JP¥ 340 million	JP¥ 240 million	(1.29 million CA\$) JP¥ 120 million

		FY3/15			FY3/16			change
		1H (a)	2H (a)	Full (a)	1H (e)	2H (e)	Full (e)	
JCC price	US\$/bbl	110.06	82.03	96.48	57.50	62.50	60.00	(36.48)
Exchange rate	JP¥/US\$	102.13	112.10	106.23	115.00	115.00	115.00	+8.77
Bitumen price	CA\$/bbl	58.93	53.04	55.74	29.80	35.17	32.52	(23.22)
Exchange rate	JP¥/CA\$	95.04	103.63	103.63	95.00	95.00	95.00	(8.63)

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.

4. Long-Term Business Vision

President Osamu Watanabe

Long-Term Business Vision

~Towards the Leap to 2025~

“Transformation to Integrated Energy Company Around Oil and Gas E&P business”

Introduction

- I . Progress of the previous Medium-Term Business Plan
- II . Perception of the business environment
- III . Long-Term Business Vision ~ Image of the Leap on 2025
- IV . Short and Medium-Term target and policies
- V . Outlook of revenue and profits
- VI . CSR (Corporate Social Responsibility)
- VII . Summary
- VIII . <Appendix>Current status of business / Acronyms

Introduction

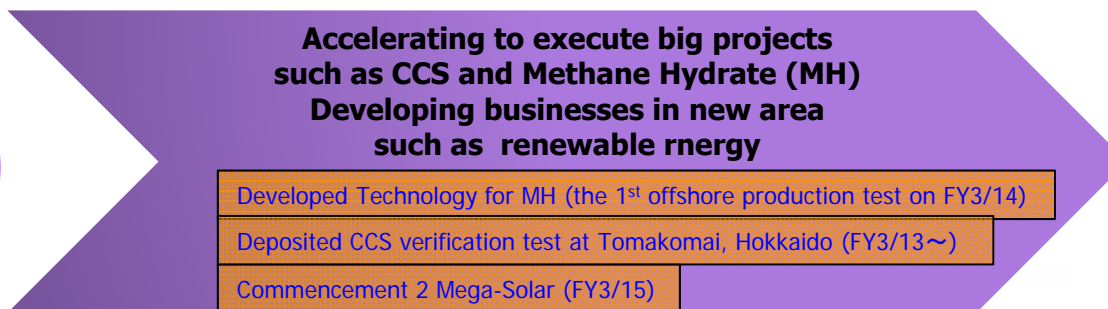
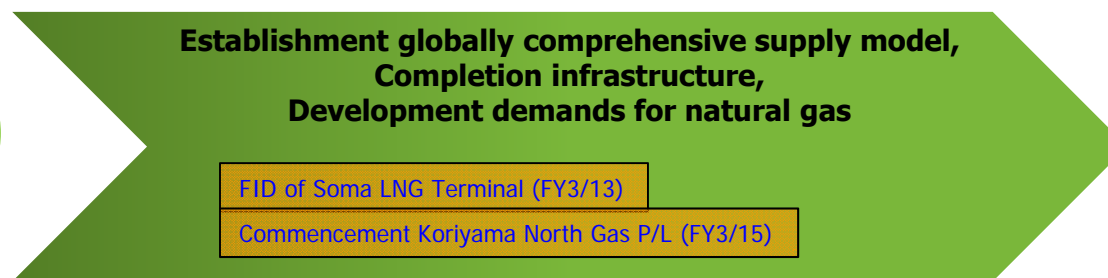
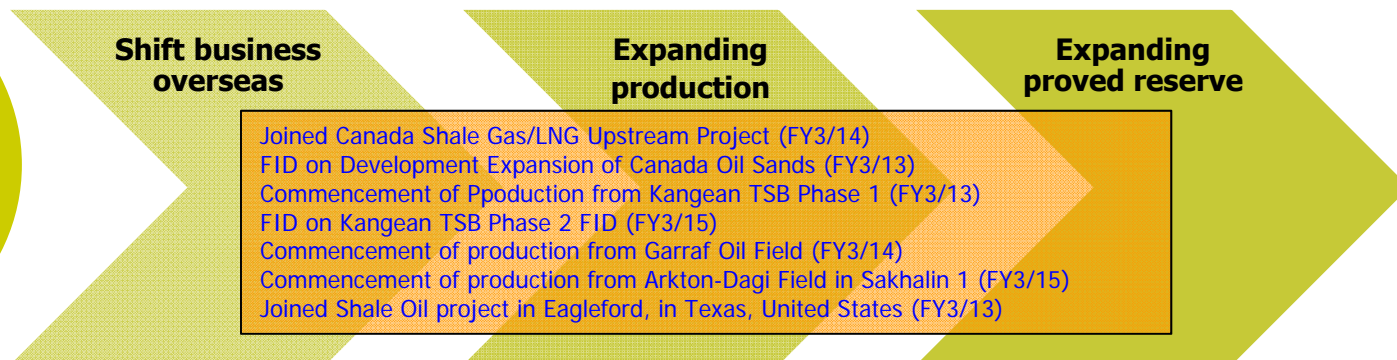
- JAPEX announced Medium-Term Business Plan from FY3/12 to FY3/16 (hereafter “the previous plan”) setting 3 quantitative targets of E&P (Exploration and Production) business, domestic gas business, and environment and innovative technology on May, 2011.
- By our execution after announced the previous plan, we are likely to achieve the targets settled as follows; ① shifting businesses overseas, ② expanding consolidated daily production to 70,000 bbl of crude oil equivalent by FY3/15, and ③ expanding consolidated proved reserve to 450 million bbl of crude oil equivalent by FY3/21.
- For this reason, we decided to formulate Long-Term Vision aiming 10 years and Medium-Term Business Plan for next 5 years from FY3/16 to FY3/20 in order to achieve this Long-Term Vision.
- By promoting these plan, JAPEX group will establish basement for business further strengthen our competitiveness, and by promoting efficiency as well, JAPEX will make efforts to promote sustainable development and maximizing the stakeholder value.

I . Progress of the previous plan (1)

~ 3 quantitative targets of our business

Major achievement of the previous plan

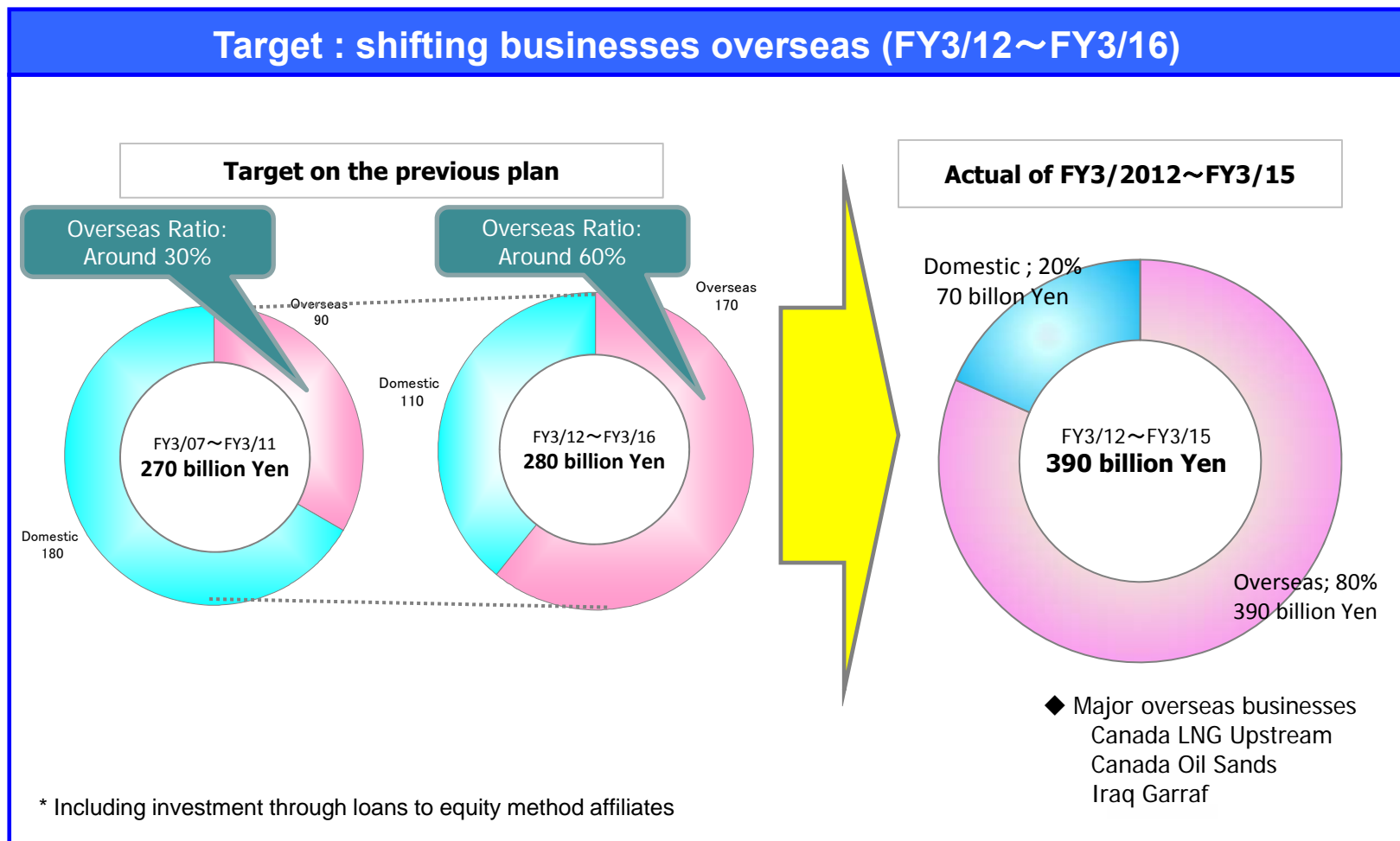
* E&P: Exploration and Production



I . Progress of the previous plan (2)

~ Shifting businesses overseas

- Executed drastic commitment to shifting businesses overseas



I . Progress of the previous plan (3)

~ Target of production and proved reserve

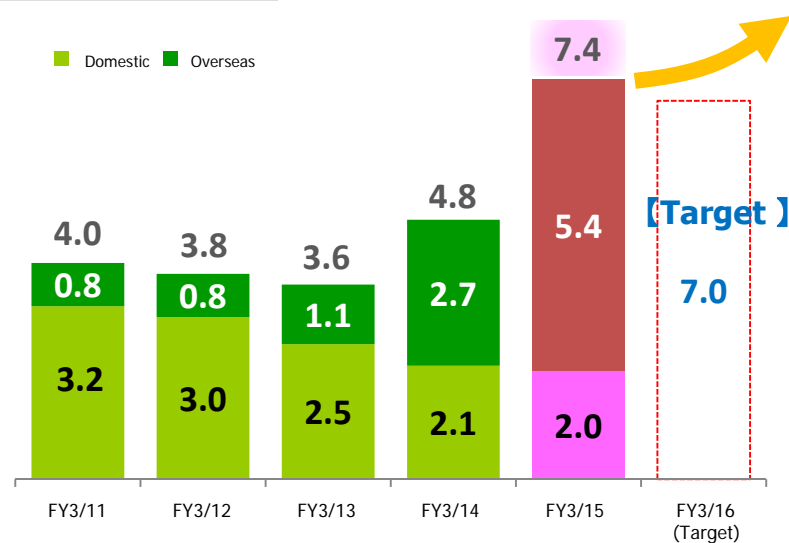
■ The Latest actual on FY3/2015;

74,000 BOED of daily production / 313 MMBOE of proved reserve

- 54% increase in production and achieved the target of production on the previous plan a year ahead by contributions of full-year production on Canada Shale Gas Project and Iraq Garraf Oil Project
- 3% increase in reserve by compensation from progress of Canada Shale Gas development
- Through further development of Canada Shale Gas project and progress of Iraq Garraf Oil project, we are standing to prospect of achieving the target proved reserve (450MMBOE by FY3/21).

Production

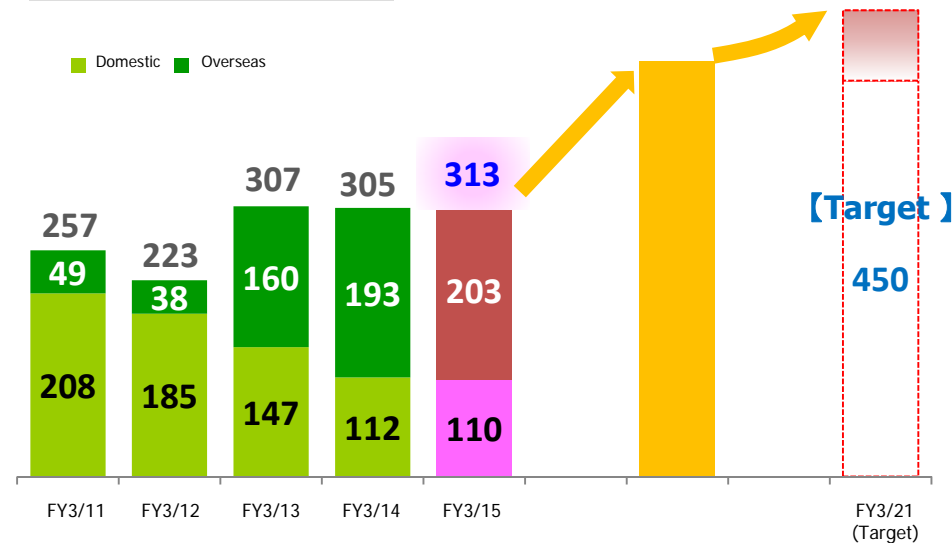
(10 thousand BOED)



Medium-Term Business Plan (FY3/12~FY3/16)

Proved reserve

(MMBOE)



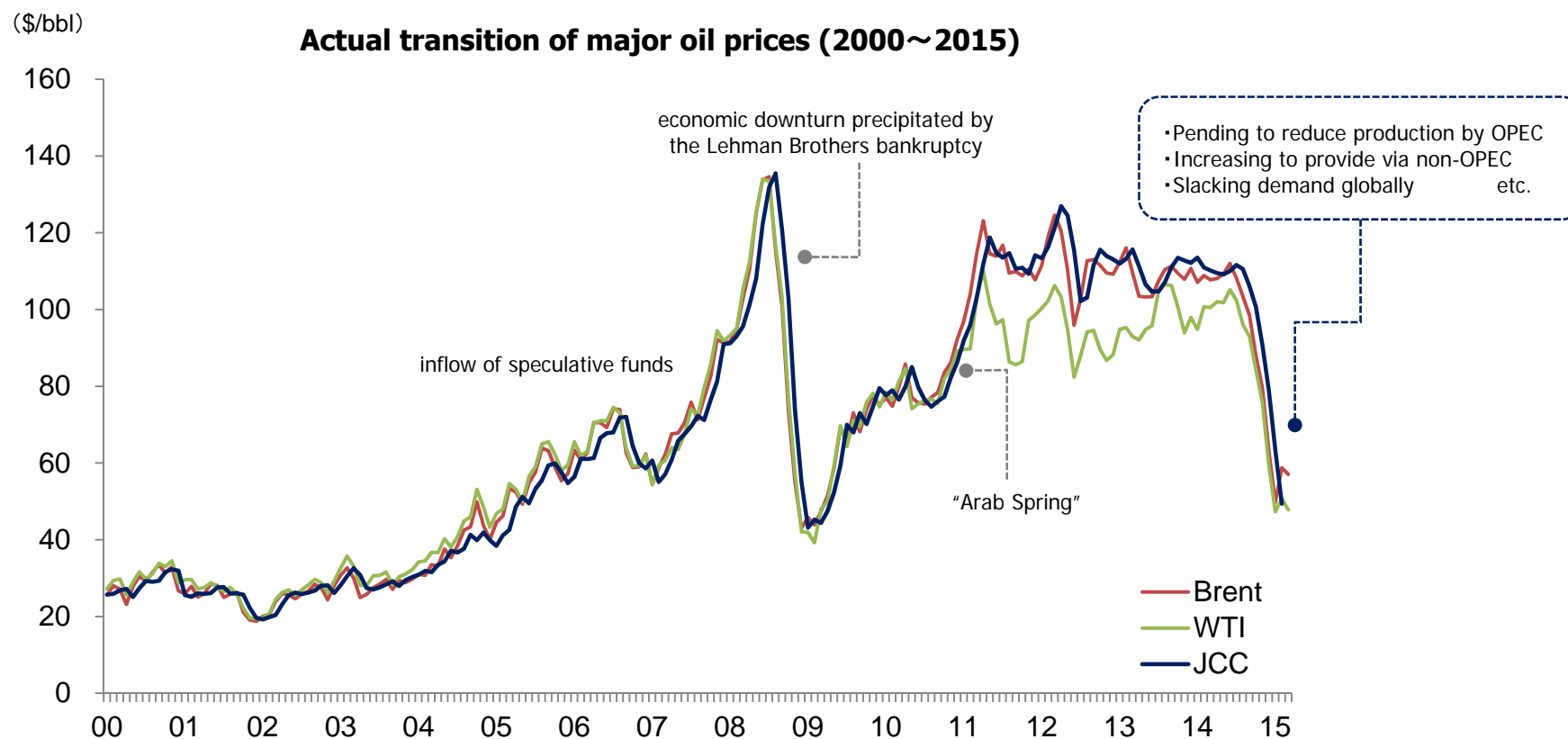
Medium-Term Business Plan (FY3/20~FY3/21)

* These figures concerning production and reserve mean the amount by economic share of JAPEX group

II . Recognition of business environment (1)

~ Transition of oil price (actual)

- Oil prices has plunged from the middle of 2014. Its fluctuation range tend to be large in recent years and also unforeseeable how change in feet.
- However, in the longer terms, the major view is that demands of the emerging countries are expected and oil and natural gas will still be a primary energy globally.



* Arranged by JAPEX from Statistics by The Institute of Energy Economics, Japan

II . Recognition of business environment (2)

~ External environment

Actualized fluctuation risk of international crude oil price

- Rapid decline of oil price from 2014 summer
- Excess supply trend of crude oil against the background such as "Shale Revolution"
- Global demand declination of crude oil particularly in Europe
- Decrease the value of oil and gas assets / movement of industrial consolidation including M&A etc.

Geopolitical risk

- Destabilization of the situation in Iraq and neighboring countries by IS
- Political destabilization of Yemen and military intervention by Arab countries
- Sanctions to Russia stemming from the Ukraine problem
- Whereabouts of economic sanctions to Iran concerning their nuclear development etc.

Intensifying competition of domestic gas business

- Systematic reform of electric and gas business / entirely retail liberalization
- Movement of alliance and new entry beyond the boundary of energy sector
- Commencement of commercial operation of domestic LNG receiving terminal by competitors etc.

Measure for earth environmental problems

- Absence of energy policy after Great East Japan Earthquake on 2011 / discussion of future energy best mix
- Tendency of the target of green house gas reduction by COP21 until the end of 2015
- Immutable of the big trend of GHG reduction etc.

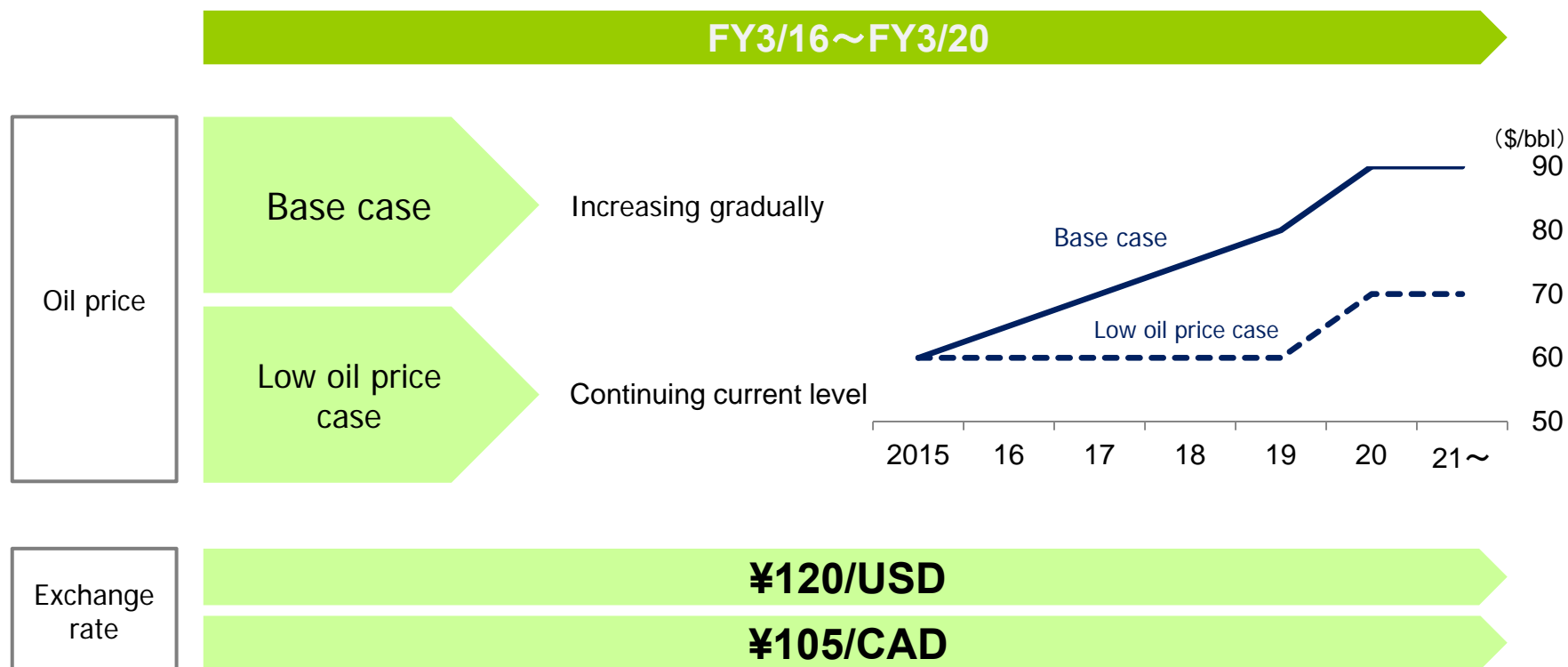
On the other hand, we have prospects as follows;

- Increasing drastically demands for oil and natural gas particularly in emergency countries in mid-long term
- Unlikely to form the international agreement of extreme suppression of using fossil fuel
- Oil and natural gas will continue to play major role of primary energy longer and internationally

II . Recognition of business environment (3)

~ Premise of oil price and exchange rate

- Assumption future oil price and foreign exchange rate as below based on current trends and feeling of rising future price
- Also supposing low oil price case to correspond oil price fluctuation in addition to base case



III. Long-Term Business Vision (1)

~ Towards the Leap to 2025

“Transformation to Integrated Energy Company around oil and gas E&P business”

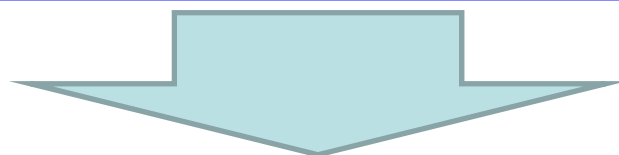
Domestic customers are the most important for our business
even though decline proved reserve is fated to E&P business companies



Expansion of supply infrastructure corresponding increase of LNG demands
for aiming to stable domestic supply of natural gas

+

Expansion of business basement that is difficult to be affected by impact of oil price
Fluctuations being aware of volatility of crude oil price



**Expanding our business actively around E&P including power generation
as well as our focused and conventional E&P business**

III. Long-Term Business Vision (2)

~ E&P business

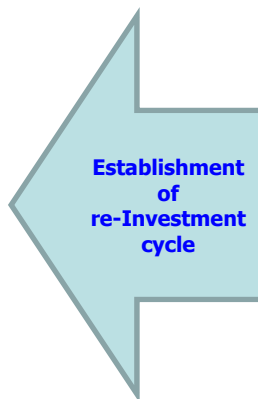
[Target]
RRR > 1
[Add to high-profitable reserve]

RRR : Reserve Replacement Ratio
 = (During certain period) [Increase amount of reserve] ÷ [Production amount]



Long-Term actions

- **Expanding Reserves of Ongoing Projects**
 - Upgrading “Holding Resource” to “Reserve” (JACOS, Canada Shale Gas, and Domestic ones)
- **Investment New Opportunities**
 - Regarding important Profitability than Scale
 - Consideration including M&A



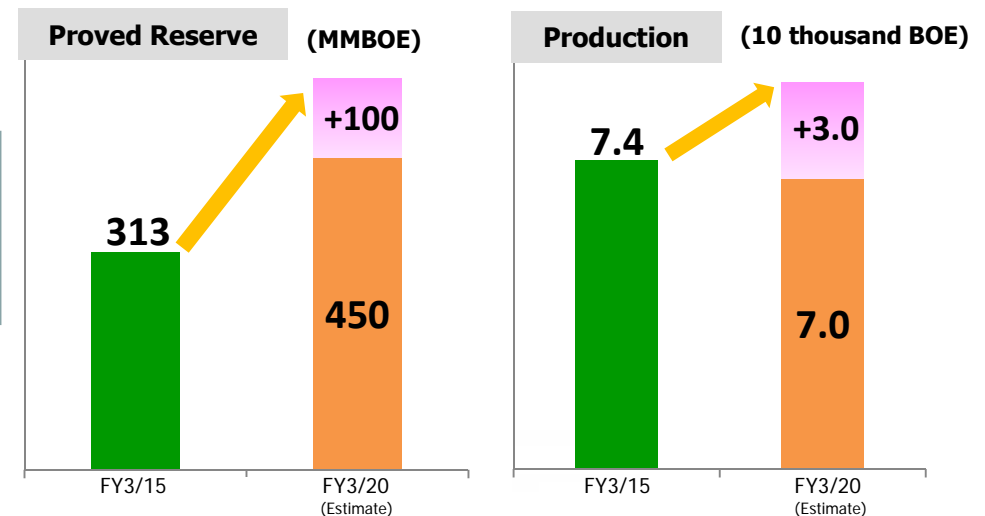
“Proved Reserve”: Amount of oil and natural gas that will be able to product commercially in development known integrated oil
 “Resource”: Amount of oil and natural gas that exist naturally (undeveloped or expected ones that will find in future)

Medium-Term actions

- | | | |
|--|-------------------------------|--|
| <p>[Overseas]</p> <p>Stable execution of ongoing big projects</p> <ul style="list-style-type: none"> ➢ Increasing production and reserve ➢ Return of investment / secure earnings | <p>Most important mission</p> | <p>[Domestic]</p> <ul style="list-style-type: none"> ➢ Pursuing additional E&P potentials ➢ Maximization of production volume by EOR ➢ Establishment of efficient operation ➢ Contribution to research and development of Methane Hydrate ➢ Pursuing conversional marine area potentials through government's basic research |
| <ul style="list-style-type: none"> ➢ Realignment of strategy for studying new opportunities | | |



Breakdown image on FY3/20 (contributed mainly overseas projects)

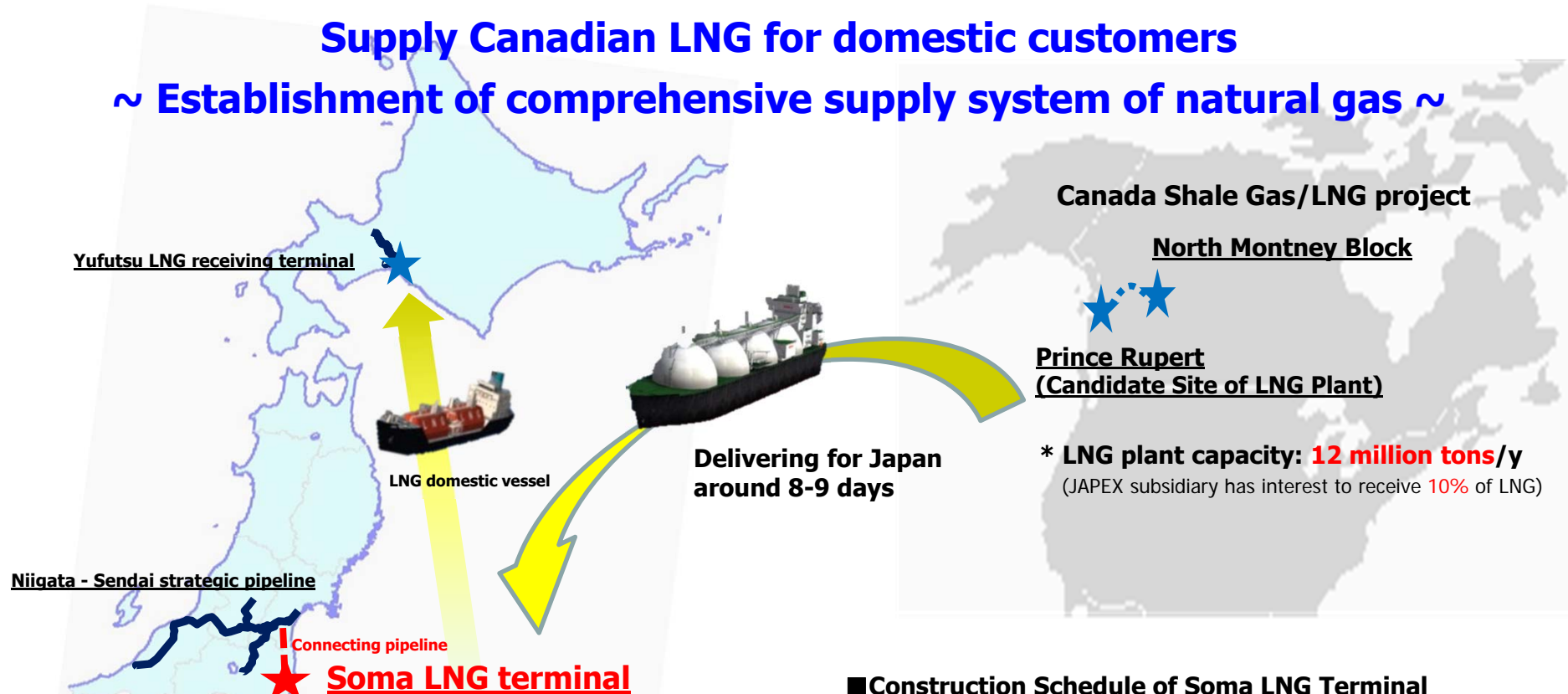


III. Long-Term Business Vision (3)

~ Domestic supply business① - Soma LNG terminal

Supply Canadian LNG for domestic customers

~ Establishment of comprehensive supply system of natural gas ~



■ Construction Schedule of Soma LNG Terminal

Nov. 27, 2013	Final Investment Decision (FID)
Nov. 2014	Commencement of construction
End of 2017	Completion of the Terminal (planned)
Mar. 2018	Commencement of operation (planned)

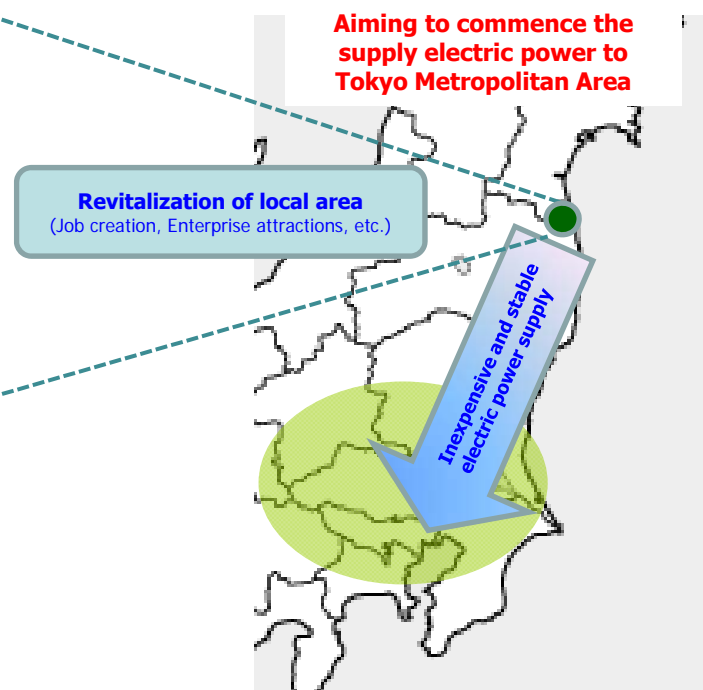
III. Long-Term Business Vision (4)

~ Domestic supply business② - Soma power generation

- Now studying the business of thermal power generation using vapor gas from Soma LNG terminal
- Installation of power generation facilities which is high-efficiency gas turbine combined cycle type at adjoining place of Soma LNG Terminal

Strategic merit

- | | |
|--|---------------------------------------|
| 1. Expanding business based on oil and gas business | ⇒ Comprehensive energy company |
| 2. Resistance to fluctuation of oil price | ⇒ Strong business portfolio |
| 3. Limited financial burden (practical use of project finance) | ⇒ Best finance mix |



■ Schedule (Planned)

Nov. 2014	Start the 1 st step for Environmental Assessment
Apr. 2015	Establishment of Fukushima Gas Power Co., Ltd. *
Mid 2017	Completion of environmental assessment Commencement of construction
Jan. 2020	Commencement of commercial operation of No.1 plant
Apr. 2020	Commencement of commercial operation of No.2 plant

* Established by JAPEX and Mitsui Corp. to study and prepare of electric power business

Ⅲ. Long-Term Business Vision (5)

~ Domestic supply business③

- Maintain stable supply by practical using and expanding our supply infrastructure even though declining amount of domestic natural gas
- Diversifying both "supply" and "procurement" and expanding scale of supply

[Target]
Become the supplier handling 2.5 million tons of natural gas per a year by 2025

Current (FY3/15)	
Business volume of natural gas (actual) : 1.2 million tons (LNG equivalent) (Domestic produced gas : LNG ≐ 50:50)	
Supply system	Pipelines, Satellite shipment from Nihonkai LNG (by LNG tanker trucks or freight containers), Owned domestic vessel supplying LNG to customers' bases etc.
Procurement source	Domestic gas, Long-term contract of Malaysia (until 2022), Spot LNG purchase

Diversifying both "supply" and "procurement"

Long-Term actions	
Supply system (additional)	<ul style="list-style-type: none"> • Soma power generation (1.2 million kW+α). Reloading ocean-going vessels at Soma LNG terminal, Using underground storage etc.
Procurement source (additional)	<ul style="list-style-type: none"> • No.1 &2 Train of PNWL (Pacific North West LNG)*, PNWL expansion, Sakhalin1 LNG, New interest project(s), LNG purchase

Expansion of diversity

Medium-Term actions (FY3/21)	
Supply system (additional)	Soma LNG terminal, Soma satellite/domestic-vessels shipment, Soma power generation (600 thousand kW)
Procurement source (additional)	Start up PNWL No.1/No.2 train * (or tentative spot LNG purchase)
Business volume of natural gas (estimate) : 1.5 million tons (LNG equivalent)	

* PNWL will start up around Mid-FY3/20~end of FY3/21

III. Long-Term Business Vision (6)

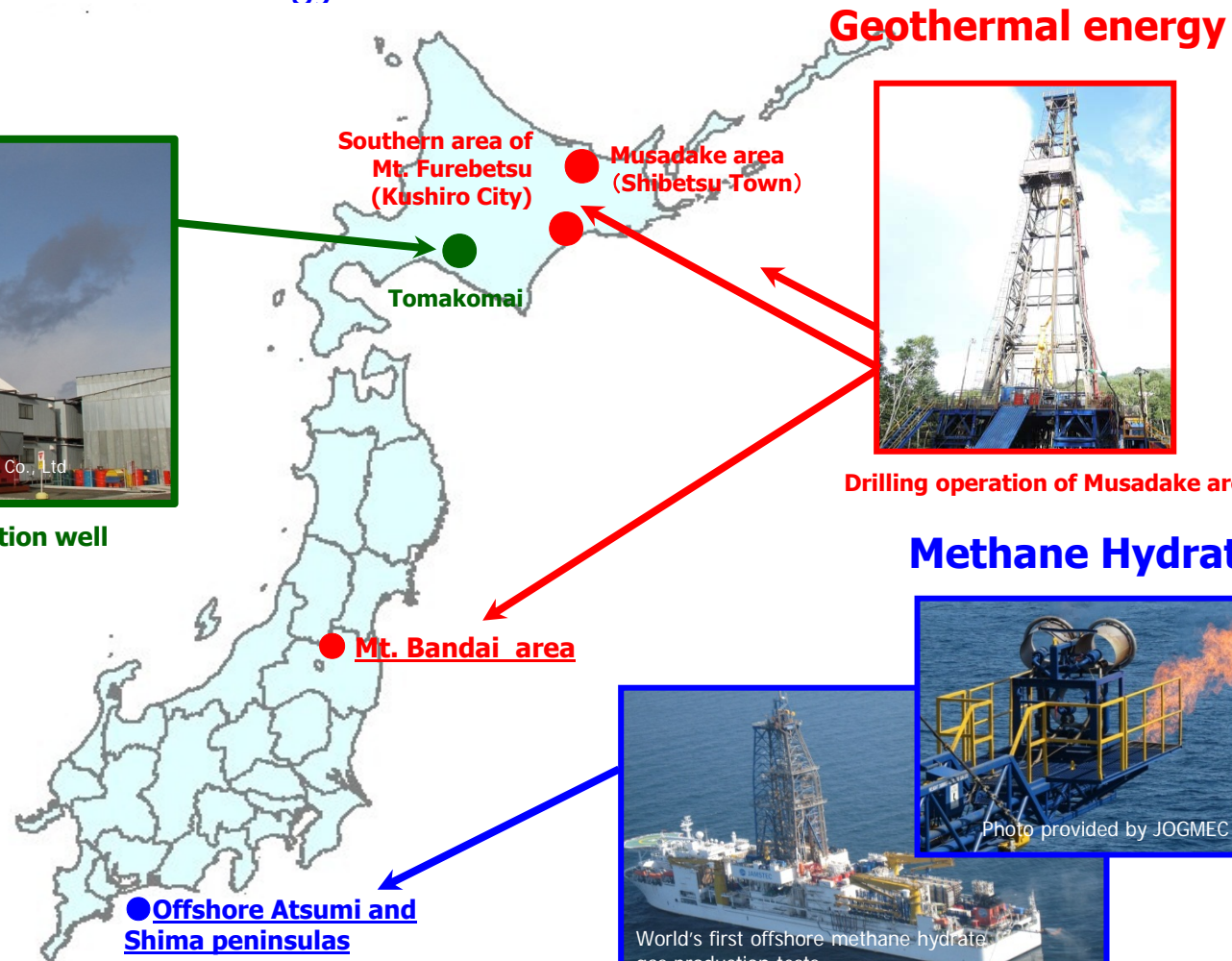
~ Environment and innovative technology①

- Pursuing adaptation technologies which has affinity with E&P business
- Accelerating renewable energy business

CCS



Drilling of CCS observation well



Geothermal energy



Drilling operation of Musadake area

Methane Hydrate

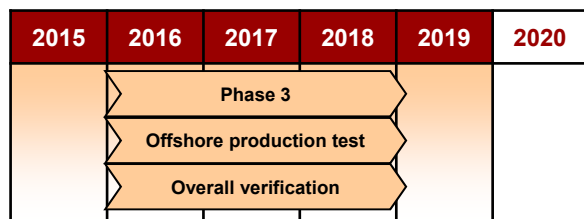


* continuing the consensus of the local community

III. Long-Term Business Vision (7)

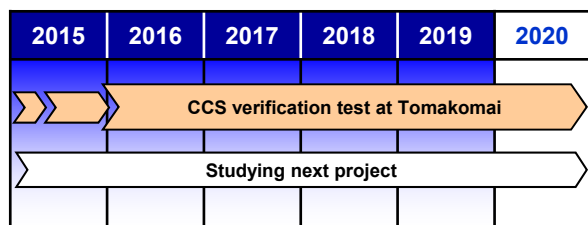
~ Environment and innovative technology② - Present actions

Methane Hydrate



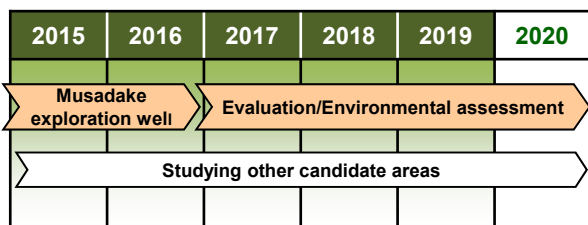
- Japan government has a plan of mid-long term offshore production tests concerning sand layer type methane hydrate. JAPEX is aiming to start the project for commercial production taking a leading position until 2027
- Established Japan Methane Hydrate Operating Co., Ltd.(JMH) on Oct. 2014
- JAPEX is joining JMH as a front runner to lead Methane Hydrate business

CCS verification test



- Established Japan CCS Co., Ltd. on 2008 to conduct CCS business both public and private sectors
- Starting CO2 indentation into wells and monitoring them later 2016
- Focusing on stable execution of CCS Verification Test and Accumulation and Establishment of CCS Technology to achieve its implementation after 2020

Geothermal energy



- Planning to explore the 3rd test well in Musadake area on 2016
- Examining business potential based on the evaluation of 3 exploration wells
- Studying other candidate areas except for Hokkaido

IV. Actions in short and medium-term (1)

~ E&P business / Domestic gas business

- Pursuing the best optimal financing mix through practical use of Public Investment/Debt Guarantee Scheme, Project Finance, and others
- Expecting Total amount of required finance on FY3/17-3/21 as 200-220 billion yen
- Appropriating 100 billion yen of own funds into its finance

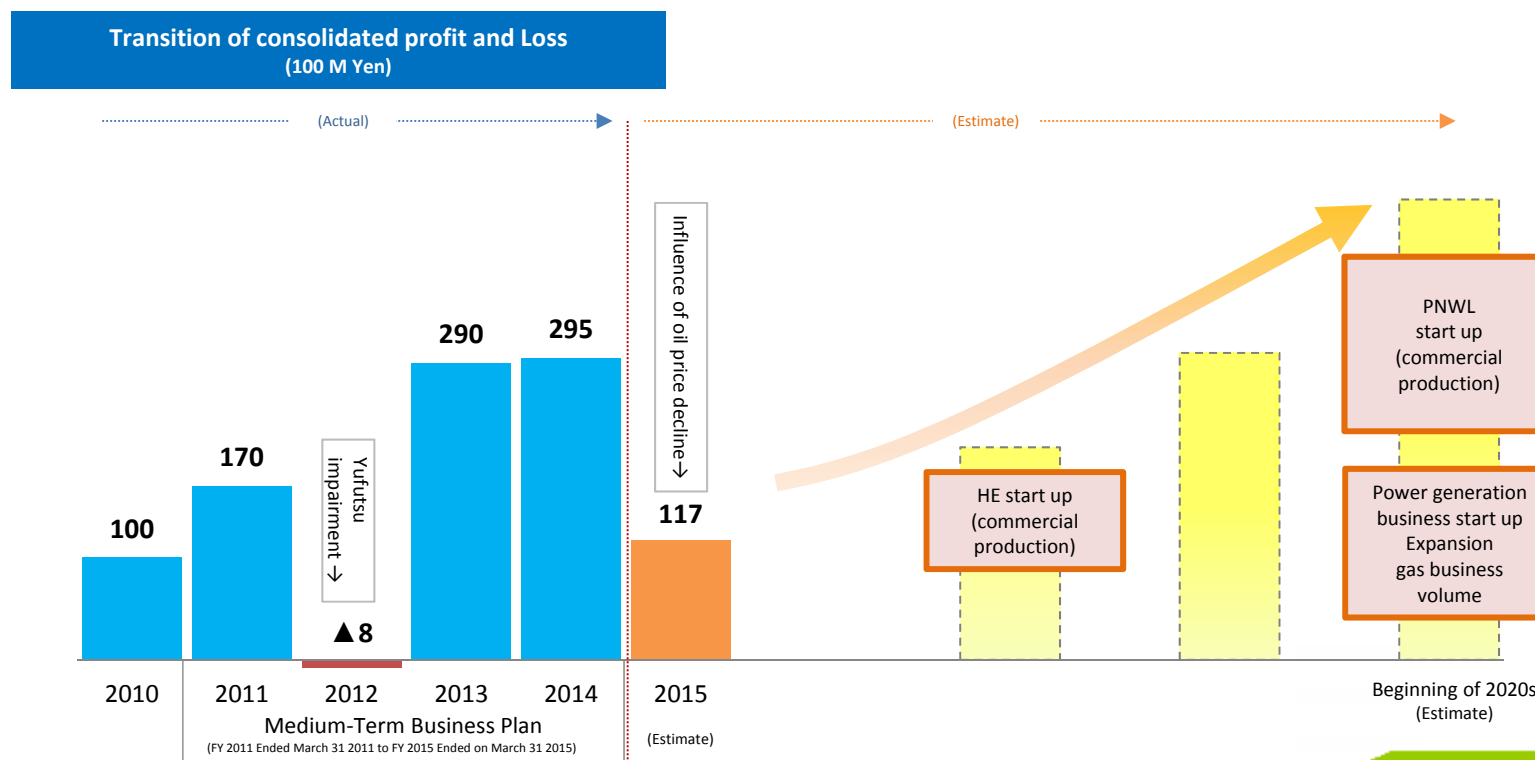
	FY 3/16	FY 3/17	FY 3/18	FY 3/19	FY 3/20	FY 3/21	Financing after FY3/17					
							JAPEX funds	Public investment	Loans	Appropriation of internal allowance	Others	
Canada Oil Sands HE Exploration			◆ Commencement of production				✓		✓	✓		
Iraq Garraf Oil Field Operational Expansion Pending Approval				◆ Achieving plateau volume of production						✓		
Indonesia Kangean TSB phase 2				◆ Commencement of production						✓		
Canada LNG Upstream Gas Exploration		Step-by-step increasing of production volume							✓	✓		
Canada LNG Liquefaction Business Pre-FID		◆ FID (targeting mid 2015)				◆ Commencement of LNG production	✓	✓			✓	
Soma LNG Terminal				◆ Commencement of receiving LNG			✓		✓			✓
Soma Power Generation Pre-FID		◆ FID (targeting 2016)				◆ Commencement of No.1 plant operation ◆ Commencement of No.2 plant operation						✓

Note1: For funding method and amount, it is our outlook at the present time, there is a possibility to change.

Note2: Required finance total amount 200-220 billion yen, the total of "JAPEX Funds", "Investment of country etc." and "Loans" in the table

V. Outlook of revenue and profits and shareholder profits

- Even though keeping the trend of recovery until FY3/15, consolidated profit and Loss of FY3/16) is prospecting to decrease significantly.
- Keeping stable dividend even during oil prices declined by planning to secure future profit through completely progress management in ongoing big projects.
- In view of medium-term, we have several potentials to improve our profit dramatically such as Hangingstone Extension (HE) of Canada Oil Sands project, rising Canada LNG (PNWL; Pacific North West LNG) project, and rising business of gas sales expansion and power generation through Soma LNG terminal as well as expectation of oil price recovery.



VI. CSR (Corporate Social Responsibility)

~ Promotion priority agenda "SHINE"

**Pursue efforts to priority agendas "SHINE"
in order to respond expectations and requests from all stakeholders
and grow as a trusted global company**

- S** : **S**table & Sustainable Energy Supply ⇒ Development of New Technologies
- H** : **H**SE as Our Culture ⇒ HSE Management, Global Warming Countermeasure etc.
- I** : **I**ntegrity & Governance ⇒ Corporate Governance, Compliance etc.
- N** : Being a Good **N**eighbor ⇒ Coexistence and Development with local communities
- E** : The **E**mployer of Choice ⇒ **Diversity, HR Development etc.**

Recruit and develop various human resources

Ratio of female manager
⇒ 2014: 3.4%
until **2020**: **3 times**

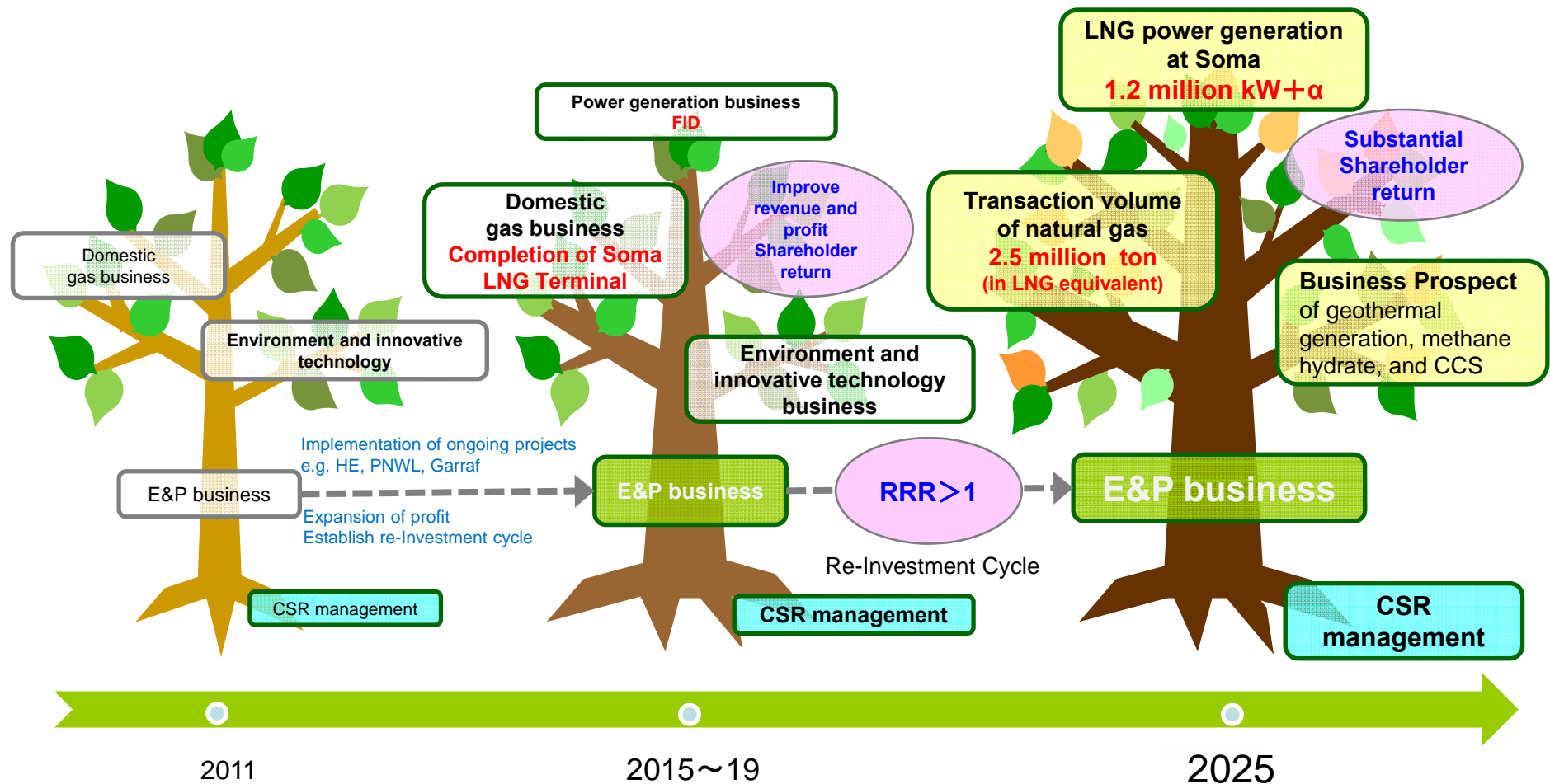
Improve HR development
⇒ Improve individuals' capabilities on their versatility or specialty

VII. Summary

~ Image of Leap on 2025

“Transformation to Integrated Energy Company around Oil and Gas E&P Business”

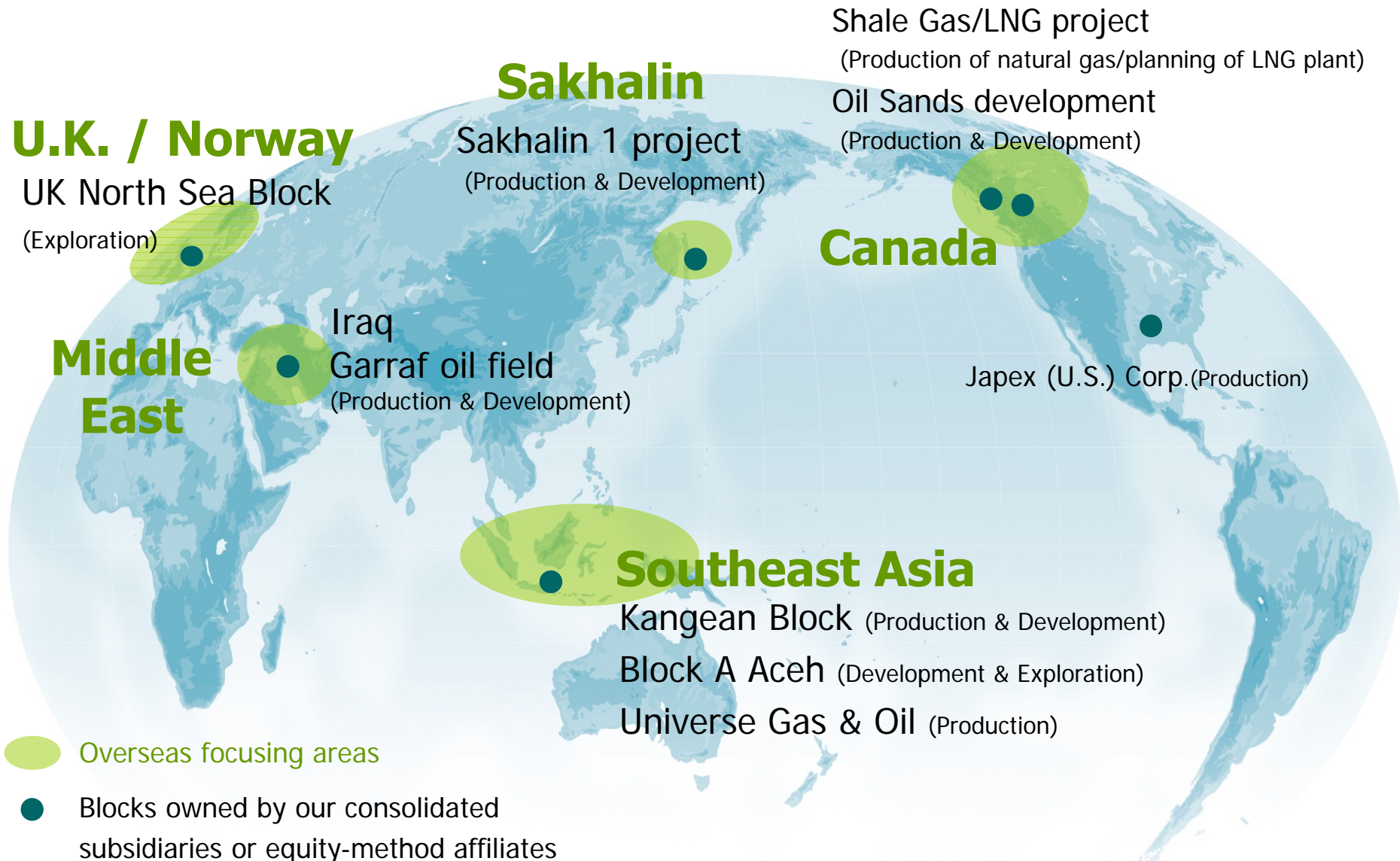
- If we liken our business into a tree, E&P business will be “root” and “trunk”, and we will grow each business around E&P business as “the well-proportioned wood”



<Appendix>

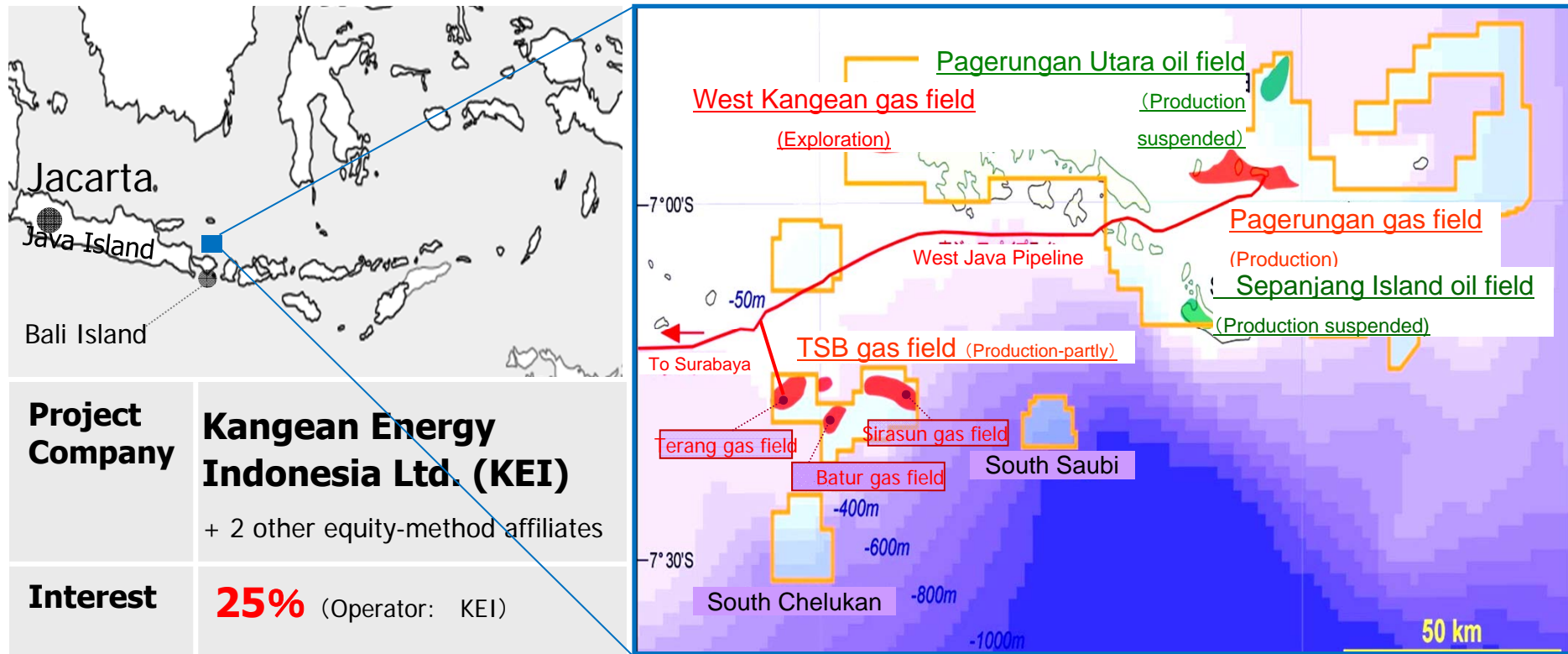
Current status of business

VIII. Current status of business (1)



VIII. Current status of business (2)

~ Indonesia: Kangean Block



Project Company	Kangean Energy Indonesia Ltd. (KEI) + 2 other equity-method affiliates
Interest	25% (Operator: KEI)

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

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

□ **South Saubi Structure: Preparing for prospecting in 2016**

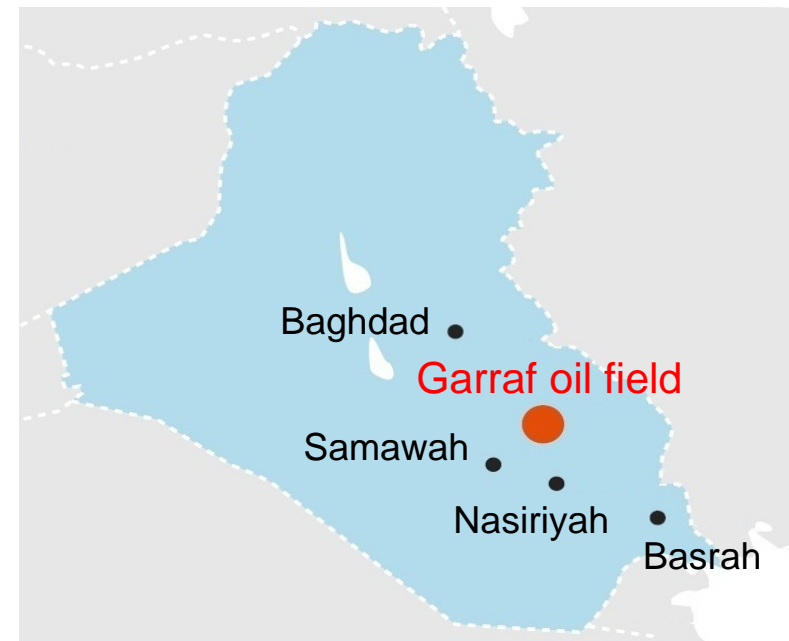


FPU of Terang gas field

VIII. Current status of business (3)

~ Iraq: Garraf Oil Field

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



■ Time Schedule

2013	Commenced production August 31 from the Garraf oil field Average daily production : Around 64,000 bbl/d
2014~ 2016	Average daily production(Dec.31 ,2014) : Around 84,000 bbl/d Plan to increase production gradually
2017~	Plan to achieve plateau production target of 230,000 bbl/d

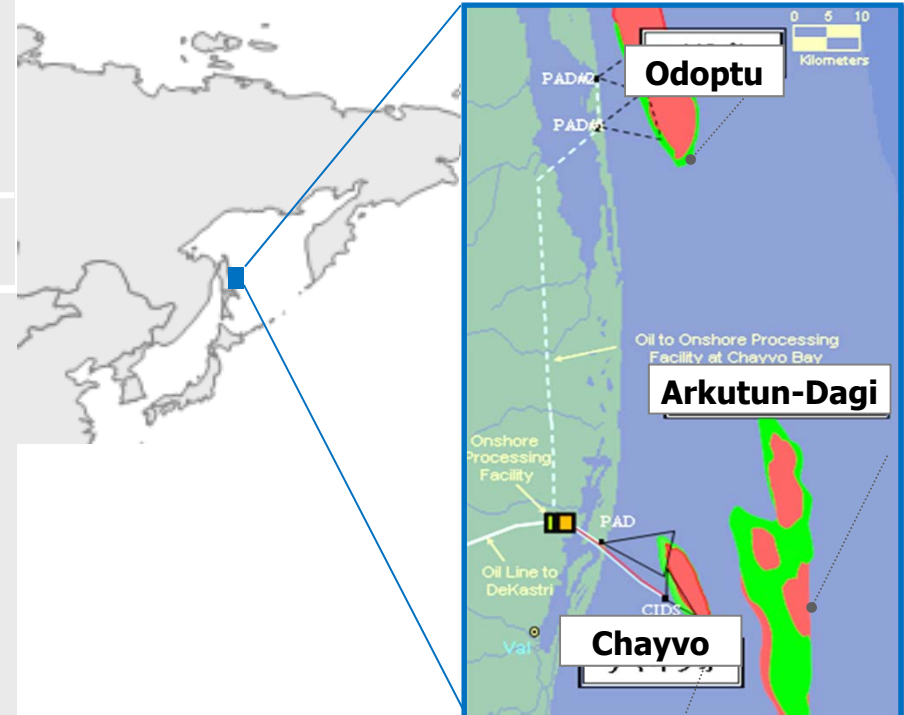
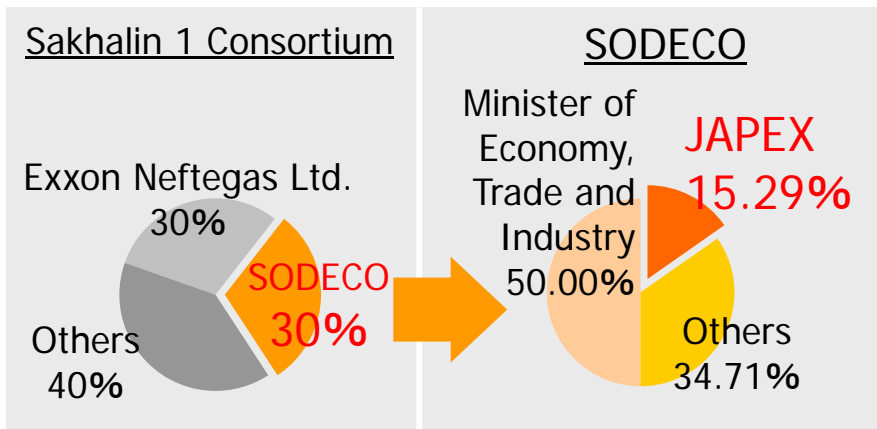


VIII. Current status of business (4)

~ Sakhalin 1 project

Project Company	Sakhalin Oil and Gas Development Co., Ltd. (SODECO)
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Interest	
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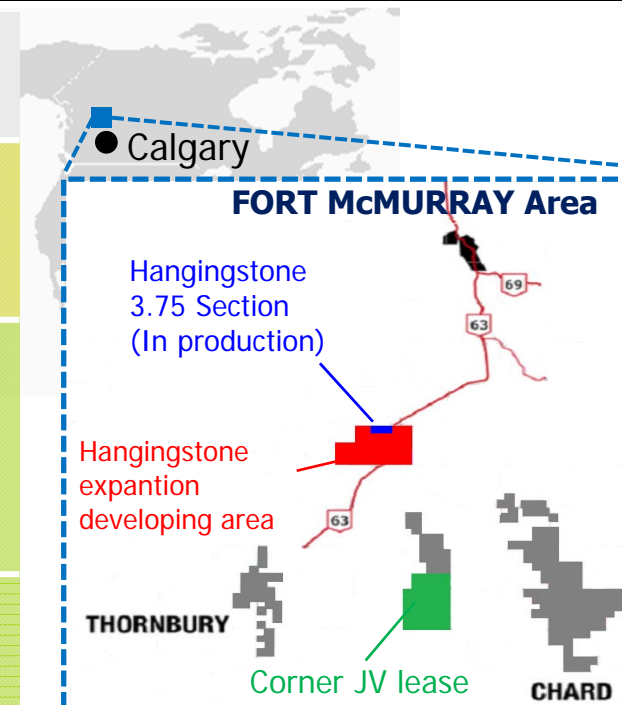
Block	Chayvo, Odoptu, Arkutun-Dagi	<p>In Production at each fields</p> <p>※Commencement of Production from Jan. 2015 at Arkutun-Dagi</p> <p>Total production of Crude Oil: Around 180,000 bbl/d*</p> <p>※ average production rate per day on 2015 based on JAPEX's Estimates</p>
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VIII. Current Status of Business (5)

~ Canada Oil Sands project

Project Company	Canada Oil Sands Co., Ltd. (CANOS) Operator : Japan Canada Oil Sands Ltd. (JACOS)	
Block	Hangingstone 3.75 section 100% Interests Around 5,000~6,000 bbl/d	In production (Cumulative production : 33.23M bbl as of end of Mar. 2015)
	Expansion project of undeveloped part of Hangingstone area 75% Interests Additional production of 20,000 bbl/d at the maximum	In development
	Coner JV lease 12% Interests	In appraisal
	Other bitumen leases (include Corner, Chard & Thornbury)	Considering future activities



■ Schedule of expanded development in Hangingstone

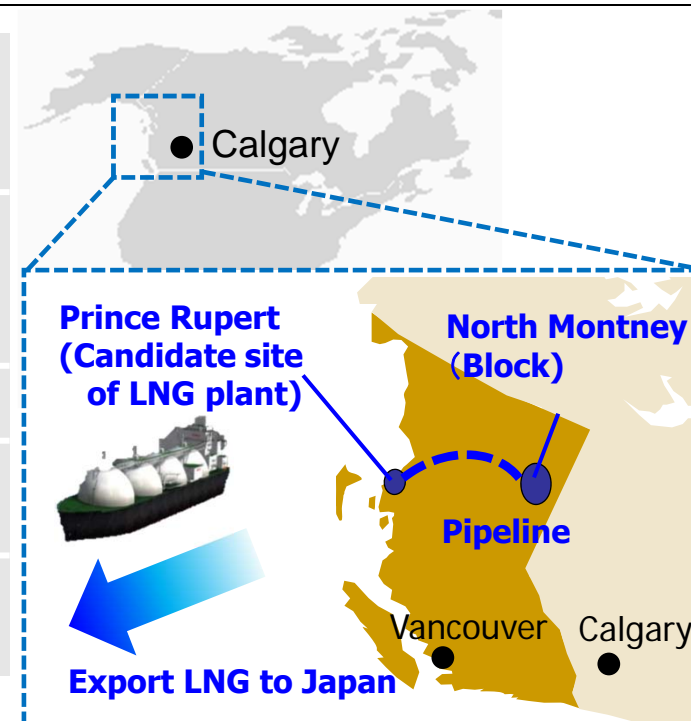
2013	Feb.: Started early civil work for construction facilities Sep.: Concluded EPC contracts for major facilities
2014	Aug.: Completed early civil work and commenced construction of Facilities
2015	Feb. : Completed Exploration of Horizontal Wells
2016	Commencement of production (Planned)



VIII. Current status of business (6)

~Canada Shale Gas and LNG project

	Shale Gas development and production project (Up-stream)	LNG project (Middle-stream)
Block/ Candidate site	North Montney, British Columbia, Canada	Lelu Island, the Port of Prince Rupert, British Columbia, Canada
Interest	10% Interest	10% Equity
Operator	PETRONAS (Including subsidiaries)	PETRONAS (Including subsidiaries)
Current status	In production and sales of natural gas	In FEED of the facilities



■ Project Schedule

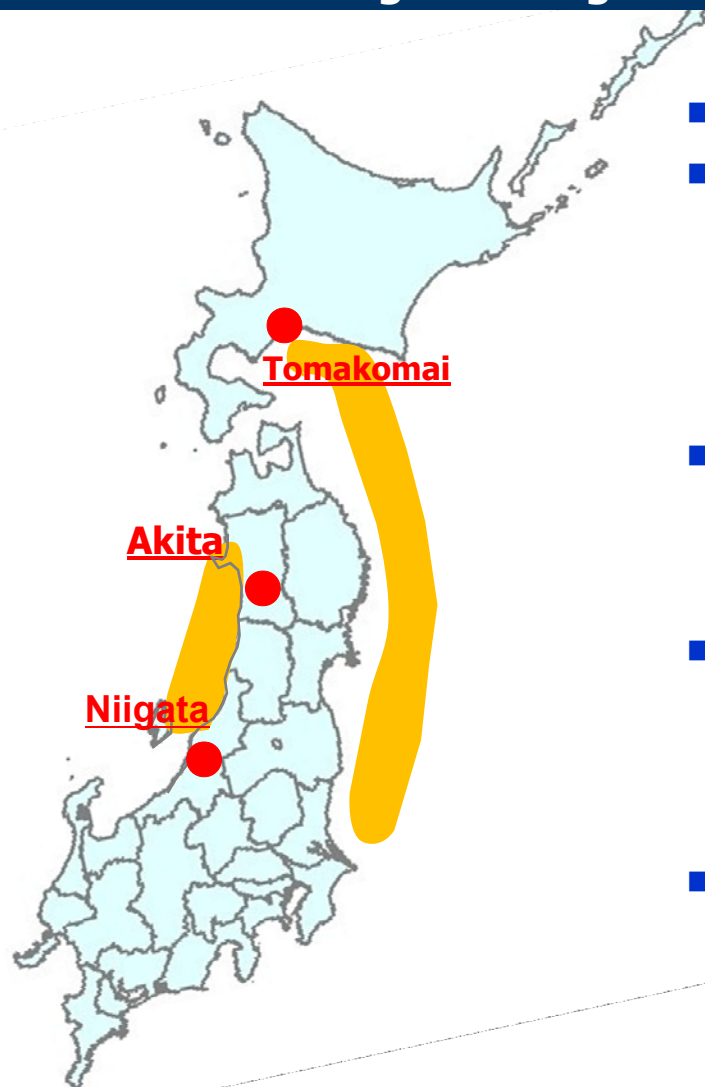
26 Apr. 2013	Conclusion of contract
Dec 2013	Acquired the export license
In 2015 (After Government Approval)	FID of LNG plant (Planned)
From 2015	Construction of LNG plant
From 2019	Starting LNG production (12MM ton/y)



VIII. Current status of business (7)

~ Domestic E&P business

Aiming to strengthen profitability of domestic business



- **Maximization of asset values of existing oil and gas fields**
- **Compensation of production volume and recovery of proved reserve availability**
 - ⇒ Examination and implementation of IOR/EOR
 - Artificial picking at Numanohata SK No.4 well
 - Implementation of WAG at Iwafune-oki oil and gas field etc.
- **Exploration of Land area**
 - ⇒ Prospecting of Minami Kashiwazaki Loc.A1
 - ⇒ Physical exploration survey in Niigata Uonuma area
- **Development of domestic shale oil (Tight oil)**
 - ⇒ Verification of validity in fracturing at Fukumezawa oil field (optimization of the method)
 - ⇒ Development of tight oil at Akita Ayukawa oil and gas field
- **Excavation of new domestic E&P opportunities**
 - ⇒ Potential evaluation of exploration in wide sea area
 - ⇒ Pursuing potentials in boundary of land and sea (shallow sea)

VIII. Current status of business (8)

~ Soma LNG terminal and power generation business

■ Soma LNG terminal facilities

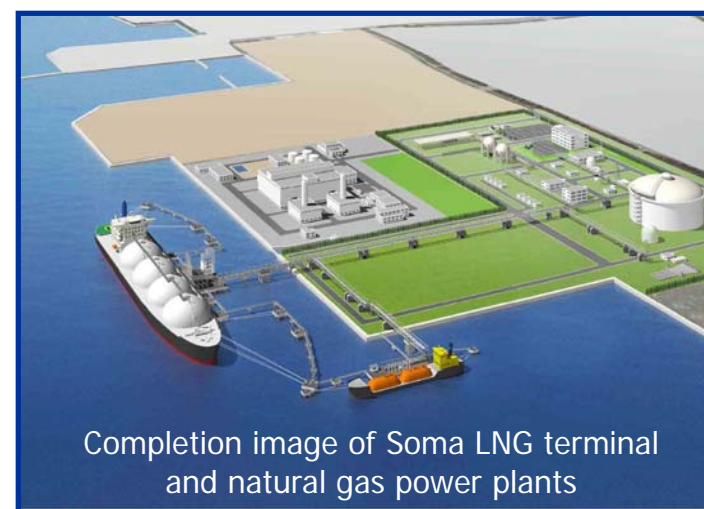
Site	Shinchi-Town, Fukushima Pref. (No.4 wharf area of Soma Port)
Type and capacity	One LNG Tank of Aboveground Style/PC type containing 230,000kl
Latest condition	Under construction of LNG terminal and connecting pipeline
Commencement of operation	Mar. 2018 (Planned)

■ Outline of the plan of Soma natural gas power plant (tentative name)

Driving force	Gas turbine and steam power (combined cycle system)
Output power	About 1.2 million kW (about 600 thousand kW × 2)
Current status	Establishment of Fukushima Gas Power Co., Ltd. / Proceeding environmental assessment
Commencement of operation	Plant No.1 Jan. 2020 (planned) Plant No.2 Apr. 2020 (planned)

■ Schedule of Soma LNG terminal

Nov. 2013	Final Investment Decision (FID)
Nov. 2014	Commencement of construction
End of 2017	Completion of the terminal (planned)
End of 2017	Receiving the 1 st LNG tanker (planned)
Mar. 2018	Commencement of operation (planned)



Completion image of Soma LNG terminal
and natural gas power plants

VIII. Current status of business (9)

~ Environment and innovative technology ①

Solar power business

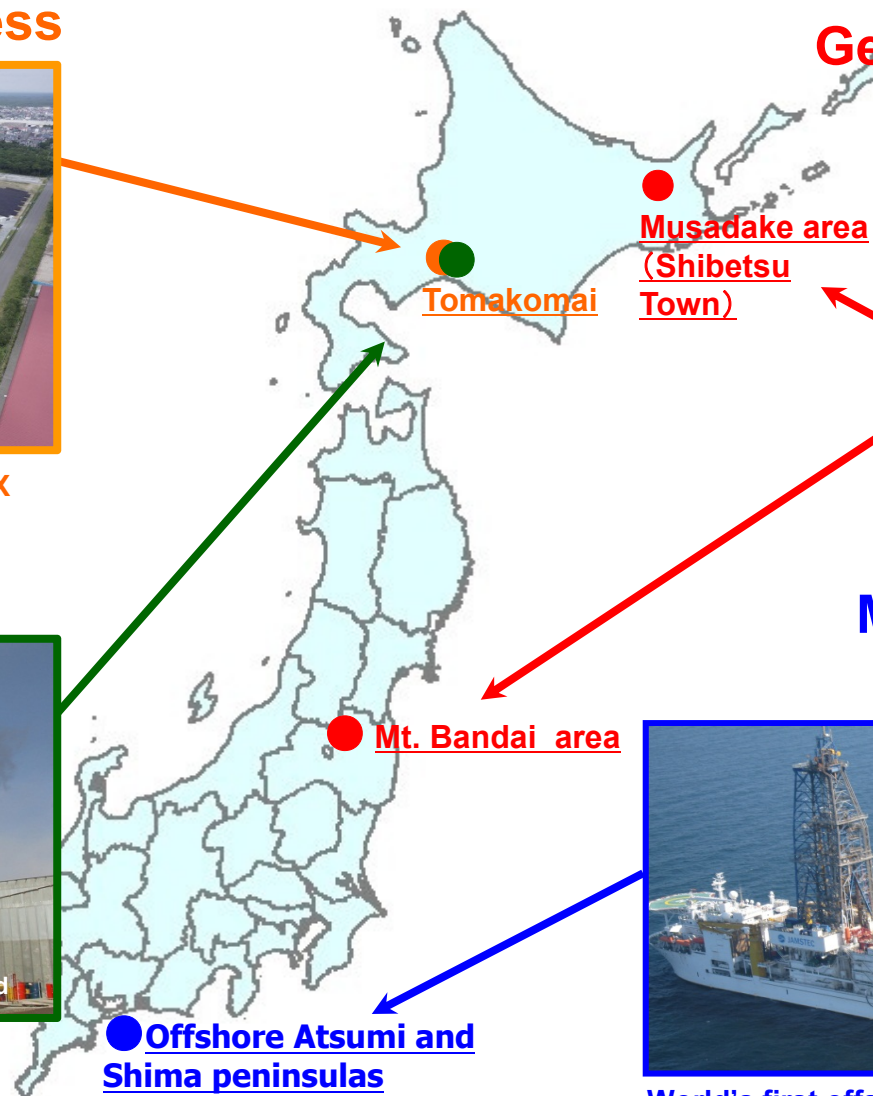


Mega-solar power station at JAPEX Hokkaido district office

CCS



Drilling of CCS observation well



Geothermal energy



Drilling operation of Musadake area

Methane Hydrate



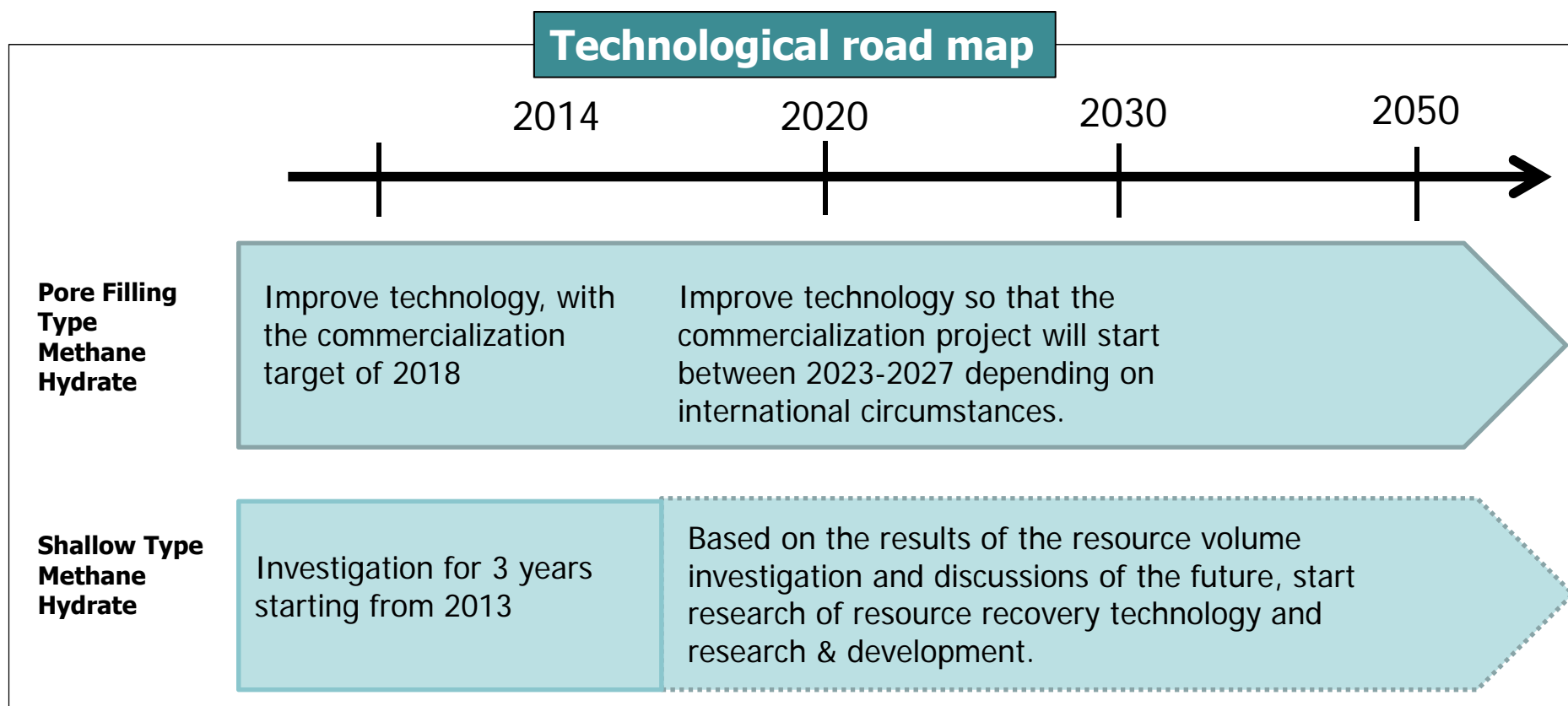
World's first offshore methane hydrate gas production tests

Photo provided by JOGMEC

VIII. Current status of business (9)

~ Environment and innovative technology ② - Methane Hydrate

- Japanese Government is planning Medium-to-Long-Term Offshore Production test of Methane Hydrate in 2016-2018.
- JAPEX will aim for becoming contractor of the project through Japan Methane Hydrate Operating Co., Ltd. and will contribute to developing technologies.
- JAPEX will aim for starting project for commercialization lead by our company by around 2027.



Referred from "Ocean energy mineral resources development plan" by Ministry of Economy, Trade and Industry on Dec. 2013

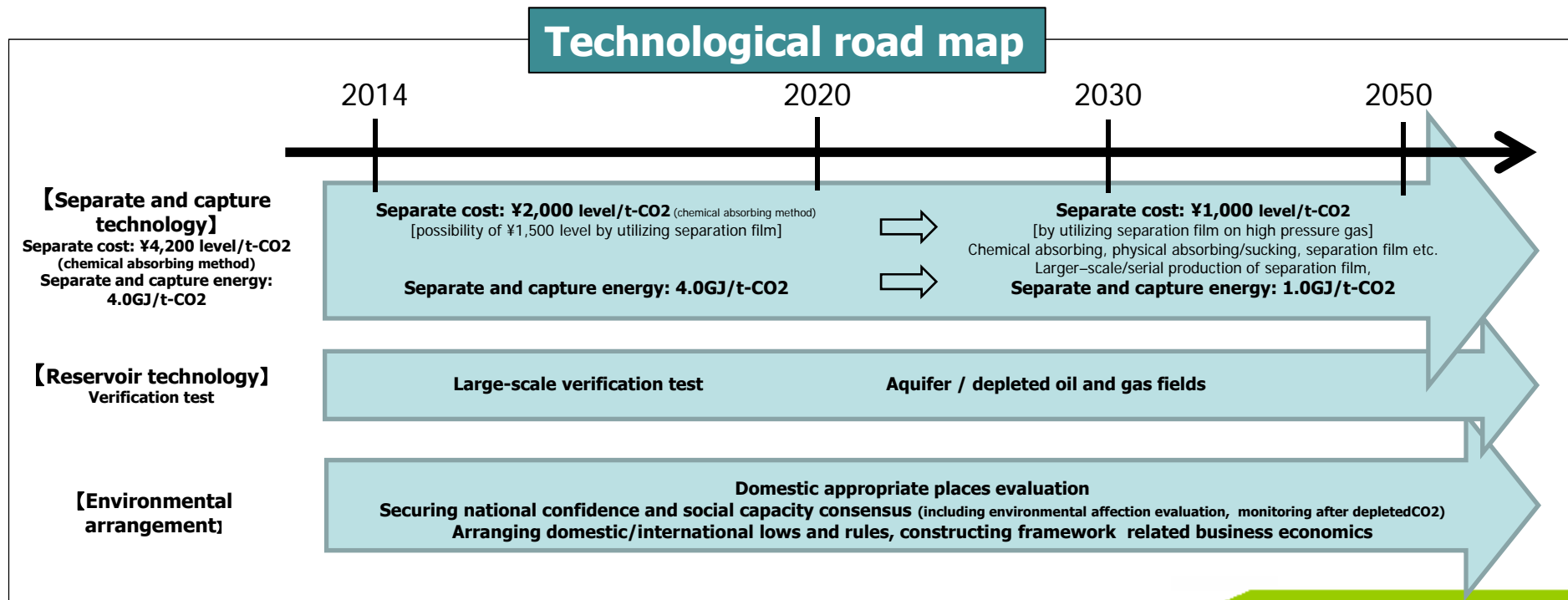
VIII. Current status of business (9)

~ Environment and innovative technology ③ - CCS

- Japan CCS Co., Ltd has been established in 2008, and project started by both public and private.
- JCCS has been assigned as a contractor of verification test from the government, and planning to start injection and monitoring from 2016.
- JAPEX is targeting practical use of CCS from 2020. In order to achieve this target, JAPEX will make a continuous effort to implement CCS verification test, and will accumulate and establish CCS technologies.

CO2 capture and Storage (CCS) Roadmap

referred from "Energy related technologies development roadmap" by Ministry Economy, Trade and Industry



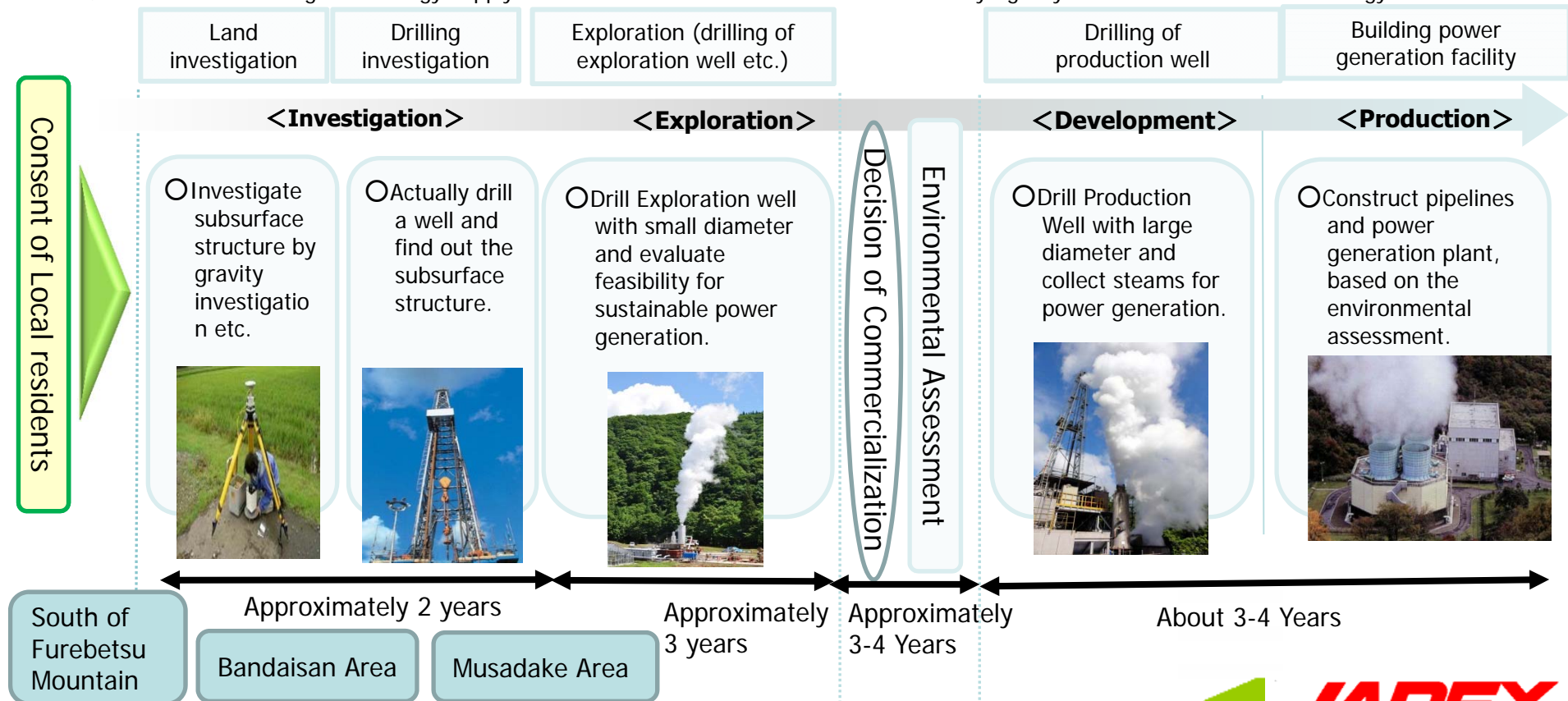
VIII. Current status of business (9)

~ Environment and innovative technology ④ - Geothermal

- For Musadake and Bandaisan area, planning to commence operation around Mid-2020th.
- Will work on other high potential areas including southern region of Furebetsu Mountain, with the consent of local residents.

Roadmap to development of geothermal power

(Model case from "Long term Energy Supply and Demand Forecast Sub-Committee" made by Agency for natural resources and energy)



Acronyms

- BOE(D) Barrels of Oil Equivalent (per Day)
- CCS Carbon dioxide Capture and Storage
- COP Conference Of the Parties
- CSR Corporate Social Responsibility
- E&P Exploration and Production
- FID Final Investment Decision
- GHG Greenhouse Gas
- HE Hangingstone Expansion
- HSE Health, Safety and Environment
- IOR (EOR) Improved (Enhanced) Oil Recovery
- JCC Japan Crude Cocktail
- JOGMEC Japan Oil, Gas and Minerals National Corporation
- LNG Liquefied Natural Gas
- MH Methane Hydrate
- P/L Pipeline
- PNWL Pacific North West LNG
- ROE Return on Investment
- RRR Reserves Replacement Ratio
- SODECO Sakhalin Oil & Gas Development Co., Ltd.
- TSB Terang, Sirasun, Batur
- WTI West Texas Intermediate