

Consolidated Financial Results for the Fiscal Year Ended March 31, 2016 <under Japanese GAAP>

May 12, 2016

Note: The following report is a summary of the Japanese-language original.

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 Listing: Tokyo Stock Exchange, First Section
 Securities code: 1662
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 Scheduled date of ordinary general shareholders' meeting: June 24, 2016
 Scheduled date to commence dividend payments: June 27, 2016
 Scheduled date to file Securities Report: June 27, 2016
 Presentation of supplementary material on financial results: Yes
 Holding of financial results presentation meeting (for institutional investors and analysts): Yes

(Millions of yen with fractional amounts discarded, unless otherwise noted)

1. Consolidated financial results for the fiscal year ended March 31, 2016 (April 1, 2015 – March 31, 2016)

(1) Consolidated operating results (Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2016	240,302	(21.2)	8,336	(74.1)	4,652	(91.5)	2,090	(92.9)
March 31, 2015	304,911	10.2	32,146	30.5	54,839	24.9	29,567	1.9

Note: Comprehensive income: FY2016/3: (50,923) million yen (– %) FY2015/3: 45,151 million yen (1.4 %)

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to sales
	Yen	Yen	%	%	%
March 31, 2016	36.58	–	0.5	0.6	3.5
March 31, 2015	517.35	–	6.7	7.8	10.5

Reference: Equity in earnings (losses) of affiliates: FY2016/3: 1,624 million yen FY2015/3: 11,996 million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2016	707,601	495,317	59.5	7,366.40
As of March 31, 2015	736,862	540,647	62.5	8,055.59

Reference: Equity As of March 31, 2016: 421,009 million yen As of March 31, 2015: 460,398 million yen

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2016	57,659	(125,771)	54,816	126,570
March 31, 2015	78,666	(63,031)	18,475	142,657

2. Cash dividends

	Annual dividends					Total annual cash dividends	Dividend payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	First quarter	Second quarter	Third quarter	Fiscal year-end	Annual			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2015	–	25.00	–	25.00	50.00	2,857	9.7	0.6
Fiscal year ended March 31, 2016	–	25.00	–	25.00	50.00	2,857	136.7	0.6
Fiscal year ending March 31, 2017 (Forecast)	–	25.00	–	25.00	50.00		144.0	

3. Consolidated financial forecasts for the fiscal year ending March 31, 2017 (April 1, 2016 – March 31, 2017)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
For the six months ending September 30, 2016	80,596	(35.1)	(2,339)	–	(372)	–	657	(91.7)	11.50
Fiscal year ending March 31, 2017	194,575	(19.0)	400	(95.2)	1,014	(78.2)	1,985	(5.1)	34.73

* Notes

- (1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Changes in accounting policies, changes in accounting estimates, and restatement
 - a. Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
 - b. Changes in accounting policies due to other reasons: None
 - c. Changes in accounting estimates: None
 - d. Restatement: None
- (3) Number of issued shares (common shares)
 - a. Total number of issued shares at the end of the period (including treasury shares)
 - As of March 31, 2016 57,154,776 shares
 - As of March 31, 2015 57,154,776 shares
 - b. Number of treasury shares at the end of the period
 - As of March 31, 2016 2,139 shares
 - As of March 31, 2015 2,139 shares
 - c. Average number of shares during the period
 - Fiscal year ended March 31, 2016 57,152,637 shares
 - Fiscal year ended March 31, 2015 57,152,637 shares

Reference: Summary of non-consolidated results

Non-consolidated financial results for the fiscal year ended March 31, 2016

(April 1, 2015 – March 31, 2016)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating income		Ordinary income		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2016	181,378	(20.2)	11,845	(40.7)	15,764	(40.6)	10,310	(48.7)
March 31, 2015	227,251	9.7	19,973	20.8	26,560	(19.1)	20,088	(12.3)

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2016	180.41	–
March 31, 2015	351.49	–

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2016	449,679	365,288	81.2	6,391.46
As of March 31, 2015	488,789	393,437	80.5	6,883.97

Reference: Equity As of March 31, 2016: 365,288 million yen As of March 31, 2015: 393,437 million yen

*** Indication regarding execution of audit procedures**

At the time of disclosure of this financial results report, the audit procedures for the consolidated financial statements in accordance with the Financial Instruments and Exchange Act are in progress.

*** Proper use of financial forecasts, and other special matters**

The forward-looking statements, including the financial forecasts shown in this document are based on information currently available to the Company and on certain assumptions deemed to be reasonable. As such, they do not constitute guarantees by the Company of future performance. Actual performance and other results may differ materially from these forecasts due to various factors.

For the suppositions that form the assumptions for financial forecasts and cautions concerning the use thereof, please refer to the section of “(1) Analysis of operating results” of “1. Analysis of operating results and financial position” on pages 4-6 of the attached material to the financial results report.

(Method of accessing supplementary material on financial results)

On May 12, 2016 (Thursday), JAPEX plans to post supplementary material on its website.

In addition, JAPEX plans to hold a presentation meeting for institutional investors and analysts on May 13, 2016 (Friday). JAPEX plans to post the material distributed at this presentation meeting on its website promptly after the meeting is held.

(Changes in functional currency of foreign consolidated subsidiaries)

From the third quarter ended December 31, 2015, Japan Canada Oil Sands Limited, a foreign consolidated subsidiary of the Company, has changed its functional currency from the Canadian dollar to the U.S. dollar.

(Attached Material)

1. Analysis of operating results and financial position

(1) Analysis of operating results

In the fiscal year ended March 31, 2016, the Japanese economy continued with a moderate tone of recovery with trends of improvement in corporate earnings and the employment situation continuing from the previous fiscal year despite weak trends in exports and production resulting from a global economic slowdown and other factors as the economies of emerging countries in Asia and resource-producing countries slowed down.

The Japan Crude Cocktail (JCC) price recovered to around \$65 per barrel in June 2015 after trending in the high end of the \$50 range in early 2015, but again turned downward as OPEC left its production target unchanged, and, at the end of the fiscal year, it was languishing in the low end of the \$30 range.

In the currency exchange market, the trend of yen depreciation of the previous fiscal year continued through the fiscal year under review. Against the US dollar, the yen began the fiscal year around the high end of the ¥110 range, depreciating to around ¥125 during the summer, but then changed course, appreciating to the low end of the ¥110 range by the end of the fiscal year. As a result, the JAPEX Group's crude oil prices for the fiscal year significantly fell compared with the previous fiscal year, due to the effect of weak JCC prices.

Natural gas, on the other hand, became less competitive compared with competing energy sources as the price of petroleum products, etc. declined due to falling crude oil prices and efforts to bring more natural gas supply infrastructure online continued to move forward. As a result, the JAPEX Group faced a severe market environment.

Given this environment, the JAPEX Group endeavored to secure production and transportation, and focused on efficient E&P in Japan and overseas toward achieving a stable, long-term supply of energy essential for daily life.

During the fiscal year under review, net sales was at ¥240,302 million, a decrease of ¥64,609 million (-21.2%) year on year, and gross profit was at ¥47,279 million, a decrease of ¥22,982 million (-32.7%) year on year. The main factors behind the year-on-year decreases in net sales and gross profit were falls in sales prices of domestically produced crude oil, overseas crude oil and natural gas, and a decrease in sales volume of domestically produced crude oil.

Exploration expenses increased by ¥2,026 million (+45.1%) year on year to ¥6,516 million. This was mainly the result of a considerable increase in overseas expenditures. Selling, general and administrative expenses decreased by ¥1,198 million (-3.6%) year on year to ¥32,426 million. As a result, operating income decreased by ¥23,810 million (-74.1%) year on year to ¥8,336 million.

Ordinary income decreased ¥50,187 million (-91.5%) year on year to ¥4,652 million. This was mainly because of a decrease in share of profit of entities accounted for using equity method, and the turnaround from foreign exchange gains in the previous fiscal year to foreign exchange losses.

Profit before income taxes was ¥1,508 million, a decrease of ¥48,864 million (-97.0%) year on year. This mainly reflected a decrease in extraordinary losses of ¥1,282 million accompanying a decrease in impairment losses.

Profit attributable to owners of parent was at ¥2,090 million, a decrease of ¥27,477 million (-92.9%) year on year.

Below is a breakdown of sales.

(i) E&P

Net sales from E&P (including liquefied natural gas (LNG) and bitumen) came to ¥189,103 million, a decrease of ¥56,528 million (-23.0%) year on year. This was mainly the result of fall in sales price and a decrease in sales volume of domestically produced crude oil.

(ii) Contract Services

Net sales from contract services (involved in drilling and geological surveys) came to ¥9,797 million, a decrease of ¥690 million (-6.6%) year on year.

(iii) Other Businesses

Net sales from other businesses, such as the sale of oil products, including liquefied petroleum gas (LPG), fuel oil and the like, the transportation of natural gas, etc., as well as other subcontracted tasks, came to ¥41,401 million, a decrease of ¥7,390 million (-15.1%) year on year.

Below is a summary of performance by segment (before elimination of intersegment transactions).

Starting from the fiscal year under review, we have begun to report the performance of the Europe segment.

(1) Japan

Net sales from the Japan segment is mainly composed of E&P (including LNG), contract services, and oil products and the like. In the fiscal year under review, net sales was at ¥228,373 million, a decrease of ¥52,346 million (-18.6%) year on year, due mainly to a fall in sales price and a decrease in sales volume. Segment profit came to ¥24,970 million, a decrease of ¥10,234 million (-29.1%) year on year. This was mainly due to the above-mentioned decrease in net sales, despite a decrease in selling, general and administrative expenses.

(2) North America

Net sales from the North America segment is mainly composed of E&P (including bitumen). Net sales came to ¥10,008 million, a decrease of ¥12,720 million (-56.0%) year on year due mainly to a fall in sales price. There was segment loss of ¥6,812 million (compared to segment profit of ¥3,223 million in the previous fiscal year). This was mainly due to the above-mentioned decrease in net sales, despite a decrease in exploration expenses.

(3) Europe

We report exploration activities in the UK North Sea block located offshore of Aberdeen in the Europe segment. There was segment loss of ¥3,905 million (compared to segment loss of ¥381 million in the previous fiscal year) as a result of an increase in exploration expenses.

(4) Middle East

Net sales from the Middle East segment are mainly composed of crude oil. Net sales came to ¥46,516 million, an increase of ¥7,001 million (+17.7%) year on year, due mainly to an increase in sales volume despite a fall in sales price. Segment profit came to ¥4,486 million, decreasing by ¥755 million (-14.4%) year on year as cost of sales also rose.

Outlook for the fiscal year ending March 31, 2017

The latest financial forecasts are based on a JCC price of \$40 per barrel for the first and second quarters and \$50 per barrel for the third and fourth quarters, and an exchange rate of ¥115/\$ for the whole fiscal year. Actual non-consolidated results for the fiscal year under review came to \$51.48 per barrel and ¥121.06/\$.

Net sales for the fiscal year ending March 31, 2017 is expected to decrease by ¥45,727 million (-19.0%) from the fiscal year under review to ¥194,575 million. This is because we expect a decline in the sales volumes and a fall in sales price of crude oil and domestically produced LNG.

Operating income is expected to decrease ¥7,937 million (-95.2%) from the fiscal year under review to ¥400 million as we expect declines in sales costs, exploration expenses, and selling, general and administrative expenses.

Ordinary income is expected to decrease ¥3,638 million (-78.2%) from the fiscal year under review to ¥1,014

million, mainly due to a decline in foreign exchange losses, despite an expected decline in share of profit of entities accounted for using equity method.

Profit attributable to owners of parent is expected to decrease ¥106 million (-5.1%) from the fiscal year under review to ¥1,985 million, mainly due to the absence of the impairment loss posted under extraordinary losses in the fiscal year under review and a decline in taxes.

(2) Analysis of financial position

a. Balance sheet

Total assets at the end of this fiscal year stood at ¥707,601 million, a decrease of ¥29,260 million from the previous fiscal year-end.

Current assets decreased by ¥24,854 million from the previous fiscal year-end to ¥173,638 million, mainly due to decreases in securities and short-term loans receivable. Non-current assets decreased by ¥4,406 million to ¥533,963 million, mainly due to a decrease in investment securities, despite an increase in construction in progress.

Total liabilities increased by ¥16,069 million from the previous fiscal year-end to ¥212,284 million.

Current liabilities decreased by ¥80,578 million from the previous fiscal year-end to ¥32,290 million, mainly due to a decrease in short-term loans payable, etc. Non-current liabilities increased by ¥96,648 million to ¥179,994 million, mainly due to an increase in long-term loans payable.

Total net assets decreased by ¥45,330 million from the previous fiscal year-end to ¥495,317 million.

Shareholders' equity decreased by ¥609 million from the previous fiscal year-end to ¥360,109 million. Accumulated other comprehensive income decreased by ¥38,779 million to ¥60,899 million, due to a decrease in valuation difference on available-for-sale securities. Non-controlling interests decreased by ¥5,941 million to ¥74,308 million.

b. Cash flows

As of March 31, 2016, cash and cash equivalents (hereinafter, "net cash") totaled ¥126,570 million, down ¥16,086 million, compared to the end of the previous fiscal year. Below is a summary of cash flows for each activity.

(Cash flows from operating activities)

Net cash provided by operating activities amounted to ¥57,659 million. The main factors were ¥41,402 million in recovery of recoverable accounts and ¥17,078 million in depreciation.

(Cash flows from investing activities)

Net cash used in investing activities amounted to ¥125,771 million. Net cash was mainly used in purchase of property, plant and equipment of ¥92,953 million and payments of recoverable accounts of ¥42,958 million, while net cash was mainly provided by interest and dividend income received of ¥5,784 million and collection of loans receivable of ¥5,065 million.

(Cash flows from financing activities)

Net cash provided by financing activities was ¥54,816 million. Net cash was mainly provided by net of proceeds and repayments of long-term loans payable of ¥93,318 million and proceeds from share issuance to non-controlling shareholders of ¥11,005 million, while net cash was mainly used by net of proceeds and repayments of short-term payable of ¥42,743 million.

Reference: Trend of cash flow indicators

Fiscal years ended March 31	2012	2013	2014	2015	2016
Equity ratio (%)	73.7	72.8	63.7	62.5	59.5
Equity ratio on mark-to-market basis (%)	41.3	40.6	29.6	31.6	20.4
Interest-bearing debt to cash flow ratio (years)	0.9	0.8	1.2	1.0	2.3
Interest coverage ratio (times)	197.6	110.9	53.2	99.4	83.6

Equity ratio: Equity/Total assets

Equity ratio on mark-to-market basis: Total market capitalization/Total assets

Interest-bearing debt to cash flow ratio: Interest-bearing debt/Cash flows

Interest coverage ratio: Cash flow/Interest paid

Notes:

- *1. The above indicators are calculated based on consolidated financial figures.
- *2. Total market capitalization is calculated based on the number of shares outstanding (excluding treasury shares).
- *3. Cash flow here is cash flows from operating activities.
- *4. Interest-bearing debt is all debt subject to interest payments within liabilities (excluding lease obligations) shown on the consolidated balance sheet.

(3) Fundamental policy on allocation of profits and dividends for this year and next year

JAPEX's basic policy is to sustain stable dividends over the long term. Taking into account the medium- and long-term outlook for the business, dividend payments are set based on respect for the return of profits to shareholders. While considering the need to secure new reserves in Japan and overseas as an energy company that plays a role in providing stable supplies of oil and natural gas, which are indispensable for society, the policy also takes into account the need for retained earnings to develop, upgrade and improve supply infrastructure.

Based on the above reasoning, an annual dividend of ¥50 per share (¥25 yen per share interim dividend and ¥25 yen per share year-end dividend) is planned for the fiscal year under review. In addition, the same annual dividend of ¥50 per share (¥25 yen per share interim dividend and ¥25 yen per share year-end dividend) is planned for the next fiscal year.

2. Business policies

(1) Fundamental business policies

Since its establishment in 1955, JAPEX has pursued its mission of contributing to Japan's energy supplies by securing reserves and expanding production through exploration, development, production, and sale of oil and natural gas. Guided by this mission, JAPEX has steadily discovered oil and natural gas reserves to result in the business base of today.

As our supply volume increases, the social responsibility of JAPEX Group for stable supply is growing. The JAPEX Group realizes that as well as increasing reserves, it is important to build new business model such as expanding and utilizing natural gas transportation systems. Therefore, the JAPEX Group aims to develop as a company with the competitive capabilities, responding to changes in its operating environment. The corporate vision of the JAPEX Group is as follows:

JAPEX is committed to contributing to local communities through a stable supply of energy

- Explore for, develop, produce and deliver oil and natural gas both in Japan and overseas.
- Further enhance the natural gas supply chain, supported by our own domestic infrastructures, through aggressive introduction of LNG business.
- Leverage our existing technology and expertise to develop and commercialize new technology.
- Make stakeholder trust our first priority while striving to achieve sustainable growth and maximize corporate value.

(2) Medium- and long-term business strategy and critical issues

The replacement and expansion of reserves, which are depleted by production and sales activities, and the formulation of a supply structure of oil and natural gas that would ensure long-term stability is of paramount importance to JAPEX, a company whose business is centered on exploration, development, production and sales of these resources. Additionally, with factors such as intensification in the competitive environment for the domestic natural gas business and changes in social conditions marked by an increase in the importance of global warming countermeasures, the business environment encompassing JAPEX is undergoing a rapid transformation. In response to this, in May 2015, JAPEX announced its Long Term Business Vision aiming 10 years and its Medium-Term Business Plan for five fiscal years from April 2015 to March 2020 in order to achieve this Long Term Business Vision.

Details of the Long Term Business Vision and Group Medium-Term Business Plan may be accessed with the following URL.

http://www.japex.co.jp/english/newsrelease/JAPEX_LongTermVision_E_20150512_r0513.pdf
“Long Term Business Vision and Medium-Term Business Plan of the JAPEX Group ”

Although international oil prices have fallen rapidly from the second half of 2014 and the outlook for recovery is still unclear, we have perception that crude oil and natural gas will further be a vital source as a primary energy in the world. In this Long Term Business Vision and Medium-Term Business Plan, we have set out the course of future initiatives for further development of the policies for business expansion set in the previous Medium-Term Business Plan (April 2011 to March 2016, hereafter “Previous Plan”). The summaries are as follows.

(Long-term vision)

“Transformation to an Integrated Energy Company, with a Focus on Oil and Gas E&P Business”

By shifting the business foundation overseas as per the Previous Medium-Term Plan, the production volume is expected to be 100,000 barrels/day, and the size of reserves is expected to be 550 million barrels at the end of March 2020, which is significantly larger than Previous Medium-Term Plan, due to such efforts as the development shift to Hangingstone Oil Sands Expansion Project (HE Project) in Canada, and our proactive participation in the Pacific Northwest LNG (PLWL) project.

By continuing with these current projects, we expect to securely receive return on investment and contribution to profits from the start of production operation onward. We expect these projects will be sufficient to realize the targets of Stages 2 and 3 following the shift of the E&P business to overseas (increase production volume and reserve volume and establish a cycle of reinvestment), and consider them to be the important step for the leap to 2025.

Concerning the domestic E&P business, while carrying out efforts to maximize value of existing oil and gas fields and pursue the new potential in offshore projects through the basic surveys conducted by the government, even if the inevitable demise of the mining industry emerges, we aim to further utilize and expand domestic gas supply infrastructure as part of our firm commitment to the fulfillment of providing a stable supply of energy to domestic customers, which is the first mission of the JAPEX Group.

Furthermore, in response to the recent substantial fall in oil prices, we have reappraised the size of volatility for oil prices. If we take into account that overseas E&P business revenues will increase in the future, we realize that we have to make efforts for reducing impact of oil price fluctuation on operating results as much as possible, and business diversification to maximize the stability of the JAPEX Group business.

To this end, concerning our business fields that have mostly been specialized in the E&P business up until now, we will actively expand into fields related to the supply of oil and natural gas, including the power generation business (natural gas fired power generation, LNG cargo trading, base peripheral businesses, etc.) and new business fields where unique and advanced E&P technologies held by the JAPEX Group can be applied (e.g. commercialization of Environment and Innovative Technology Business, exploration projects for offshore mineral resources, etc.) for aiming to expand revenues from businesses not only outside the conventional framework of the E&P business.

(Business development Objective)

“E&P Business”

- Secure revenues at the production stage by securely executing the ongoing projects.
- Pursue potential domestically and build efficient systems for business operations.
- Sustain RRR > 1 ^(Note) even after 2020 to complete of developments of our ongoing projects.

Note: RRR: Reserve Replacement Ratio = (within a fixed term) “additional portion of reserves volume” / “production volume”

“Domestic Natural Gas and Other Supply Business”

- Diversify and expand procurement sources of natural gas, and upgrade our supply infrastructures.
- Commerce Soma LNG Terminal operation as planned, and launch the natural gas power generation business.
- Aim to be a natural gas supplier handling 2.5 Million tons (LNG equivalent of natural gas) per year by 2025.

“Environment and Innovative Technology Business”

- Develop technologies for practical use concerning methane hydrate.
 - Promote to develop technologies for CCS (CO₂ Capture and Storage) driving verification test and identifying requirements such as systems for commercial business.
 - Promote to develop geothermal power generation projects for commercialization.
- etc.

“CSR Management”

- Promote initiatives of “SHINE” that realize the goals of JAPEX’s core CSR issues to respond expectations and demands of all stakeholders and grow a trustable global company.

(Earnings Target)

- Maximize the scale of revenue by complete management of the ongoing projects.
- Keep “Stable Dividend” even when oil prices is sluggish.
- Increase return to shareholders when oil prices recover and ongoing projects contribute to our profits.

The JAPEX Group aims to further strengthen the Group base and competitiveness in business as well as strongly promote operational efficiency so that the Group will pursue sustainable development and maximize its value for shareholders.

3. Basic rationale for selecting the accounting standard

The JAPEX Group currently has a policy to prepare the consolidated financial statements based on the generally accepted accounting standards in Japan (Japanese GAAP), giving consideration to the possibility of comparing the consolidated financial statements between terms

Concerning the adoption of International Financial Reporting Standards (IFRS), the Group intends to respond appropriately giving due consideration to the situation in Japan and overseas.

4. Consolidated financial statements

(1) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2015	As of March 31, 2016
Assets		
Current assets		
Cash and deposits	92,956	104,359
Notes and accounts receivable - trade	25,248	24,642
Securities	45,605	23,551
Merchandise and finished goods	4,551	4,414
Work in process	250	29
Raw materials and supplies	7,488	4,135
Deferred tax assets	1,088	1,078
Short-term loans receivable	13,810	28
Other	7,531	11,430
Allowance for doubtful accounts	(38)	(30)
Total current assets	198,492	173,638
Non-current assets		
Property, plant and equipment		
Buildings and structures	164,644	168,808
Accumulated depreciation	(122,646)	(127,005)
Buildings and structures, net	41,997	41,802
Wells	103,733	109,468
Accumulated depreciation	(72,995)	(75,421)
Wells, net	30,737	34,046
Machinery, equipment and vehicles	115,091	116,174
Accumulated depreciation	(92,251)	(96,057)
Machinery, equipment and vehicles, net	22,839	20,116
Mineral resources	44,256	45,956
Accumulated depreciation	(3,514)	(5,021)
Mineral resources, net	40,741	40,935
Land	13,591	13,719
Construction in progress	132,122	179,420
Other	22,065	21,241
Accumulated depreciation	(14,378)	(15,063)
Other, net	7,687	6,177
Total property, plant and equipment	289,718	336,218
Intangible assets		
Other	9,949	9,698
Total intangible assets	9,949	9,698
Investments and other assets		
Investment securities	187,926	135,261
Long-term loans receivable	17,172	16,522
Deferred tax assets	4,009	3,575
Net defined benefit asset	462	888
Other	32,494	34,705
Allowance for doubtful accounts	(47)	(58)
Allowance for overseas investment loss	(3,317)	(2,847)
Total investments and other assets	238,701	188,046
Total non-current assets	538,369	533,963
Total assets	736,862	707,601

(Millions of yen)

	As of March 31, 2015	As of March 31, 2016
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,728	8,585
Short-term loans payable	50,809	–
Provision for directors' bonuses	120	67
Other	55,210	23,637
Total current liabilities	112,868	32,290
Non-current liabilities		
Long-term loans payable	20,726	130,030
Deferred tax liabilities	36,657	24,267
Provision for directors' retirement benefits	874	88
Net defined benefit liability	3,534	3,574
Asset retirement obligations	17,475	17,811
Other	4,077	4,221
Total non-current liabilities	83,346	179,994
Total liabilities	196,214	212,284
Net assets		
Shareholders' equity		
Capital stock	14,288	14,288
Capital surplus	–	157
Retained earnings	346,441	345,674
Treasury shares	(10)	(10)
Total shareholders' equity	360,719	360,109
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	86,174	50,554
Deferred gains or losses on hedges	3	3
Foreign currency translation adjustment	12,980	10,087
Remeasurements of defined benefit plans	521	253
Total accumulated other comprehensive income	99,678	60,899
Non-controlling interests	80,249	74,308
Total net assets	540,647	495,317
Total liabilities and net assets	736,862	707,601

(2) Consolidated statement of income and Consolidated statement of comprehensive income
Consolidated statement of income

(Millions of yen)

	Fiscal year ended March 31, 2015 (April 1, 2014- March 31, 2015)	Fiscal year ended March 31, 2016 (April 1, 2015- March 31, 2016)
Net sales	304,911	240,302
Cost of sales	234,649	193,022
Gross profit	70,262	47,279
Exploration expenses		
Exploration expenses	4,748	6,631
Exploration subsidies	(258)	(115)
Total exploration expenses	4,489	6,516
Selling, general and administrative expenses	33,625	32,426
Operating income	32,146	8,336
Non-operating income		
Interest income	2,042	1,470
Dividend income	2,431	2,498
Gain on sales of securities	96	0
Share of profit of entities accounted for using equity method	11,996	1,624
Foreign exchange gains	6,675	-
Other	1,248	1,121
Total non-operating income	24,491	6,715
Non-operating expenses		
Interest expenses	785	784
Loss on sales of securities	-	1
Loss on valuation of derivatives	164	29
Share issuance cost	80	0
Foreign exchange losses	-	8,805
Provision for allowance for losses on overseas investments	393	-
Other	373	778
Total non-operating expenses	1,799	10,399
Ordinary income	54,839	4,652
Extraordinary income		
Gain on sales of non-current assets	0	82
Subsidy income	40	-
Other	1	-
Total extraordinary income	42	82
Extraordinary losses		
Loss on retirement of non-current assets	336	121
Impairment loss	4,006	3,098
Other	165	5
Total extraordinary losses	4,507	3,225
Profit before income taxes	50,373	1,508
Income taxes - current	9,453	3,633
Income taxes - deferred	8,190	2,755
Total income taxes	17,644	6,388
Profit (loss)	32,729	(4,879)
Profit (loss) attributable to non-controlling interests	3,161	(6,970)
Profit attributable to owners of parent	29,567	2,090

Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2015 (April 1, 2014- March 31, 2015)	Fiscal year ended March 31, 2016 (April 1, 2015- March 31, 2016)
Profit (loss)	32,729	(4,879)
Other comprehensive income		
Valuation difference on available-for-sale securities	1,313	(35,606)
Deferred gains or losses on hedges	58	0
Foreign currency translation adjustment	9,985	(9,752)
Remeasurements of defined benefit plans, net of tax	861	(267)
Share of other comprehensive income of entities accounted for using equity method	202	(416)
Total other comprehensive income	12,421	(46,043)
Comprehensive income	45,151	(50,923)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	39,622	(36,293)
Comprehensive income attributable to non- controlling interests	5,529	(14,630)

(3) Consolidated statement of changes in equity

Fiscal year ended March 31, 2015 (April 1, 2014 – March 31, 2015)

(Millions of yen)

	Shareholders' equity			
	Capital stock	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	14,288	318,433	(10)	332,711
Cumulative effects of changes in accounting policies		1,297		1,297
Restated balance	14,288	319,731	(10)	334,009
Changes of items during period				
Dividends of surplus		(2,857)		(2,857)
Profit attributable to owners of parent		29,567		29,567
Net changes of items other than shareholders' equity				
Total changes of items during period	–	26,710	–	26,710
Balance at end of current period	14,288	346,441	(10)	360,719

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	84,856	(56)	5,166	(340)	89,624	74,579	496,915
Cumulative effects of changes in accounting policies							1,297
Restated balance	84,856	(56)	5,166	(340)	89,624	74,579	498,213
Changes of items during period							
Dividends of surplus							(2,857)
Profit attributable to owners of parent							29,567
Net changes of items other than shareholders' equity	1,318	60	7,813	861	10,054	5,670	15,724
Total changes of items during period	1,318	60	7,813	861	10,054	5,670	42,434
Balance at end of current period	86,174	3	12,980	521	99,678	80,249	540,647

Fiscal year ended March 31, 2016 (April 1, 2015 – March 31, 2016)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	14,288	–	346,441	(10)	360,719
Changes of items during period					
Dividends of surplus			(2,857)		(2,857)
Profit attributable to owners of parent			2,090		2,090
Change in treasury shares of parent arising from transactions with non-controlling shareholders		157			157
Net changes of items other than shareholders' equity					
Total changes of items during period	–	157	(767)	–	(609)
Balance at end of current period	14,288	157	345,674	(10)	360,109

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	86,174	3	12,980	521	99,678	80,249	540,647
Changes of items during period							
Dividends of surplus							(2,857)
Profit attributable to owners of parent							2,090
Change in treasury shares of parent arising from transactions with non-controlling shareholders							157
Net changes of items other than shareholders' equity	(35,619)	0	(2,892)	(267)	(38,779)	(5,941)	(44,721)
Total changes of items during period	(35,619)	0	(2,892)	(267)	(38,779)	(5,941)	(45,330)
Balance at end of current period	50,554	3	10,087	253	60,899	74,308	495,317

(4) Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2015 (April 1, 2014- March 31, 2015)	Fiscal year ended March 31, 2016 (April 1, 2015- March 31, 2016)
Cash flows from operating activities		
Profit before income taxes	50,373	1,508
Depreciation	16,811	17,078
Impairment loss	4,006	3,098
Loss on retirement of property, plant and equipment	336	117
Loss (gain) on valuation of short-term and long-term investment securities	-	69
Increase (decrease) in allowance for doubtful accounts	(1)	2
Increase (decrease) in net defined benefit asset	(617)	(324)
Increase (decrease) in net defined benefit liability	(164)	(422)
Increase (decrease) in provision for directors' retirement benefits	44	(786)
Increase (decrease) in allowance for overseas investment loss	(967)	(469)
Interest and dividend income	(4,473)	(3,968)
Interest expenses	785	784
Foreign exchange losses (gains)	(4,553)	8,110
Loss (gain) on sales of short-term and long-term investment securities	(96)	1
Share of (profit) loss of entities accounted for using equity method	(11,996)	(1,624)
Recovery of recoverable accounts	33,665	41,402
Decrease (increase) in notes and accounts receivable - trade	12,068	609
Decrease (increase) in inventories	(1,222)	3,707
Increase (decrease) in notes and accounts payable - trade	(9,853)	847
Increase (decrease) in accrued consumption taxes	420	(82)
Other, net	1,428	(2,288)
Subtotal	85,994	67,372
Income taxes (paid) refund	(7,327)	(9,713)
Net cash provided by (used in) operating activities	78,666	57,659

(Millions of yen)

	Fiscal year ended March 31, 2015 (April 1, 2014- March 31, 2015)	Fiscal year ended March 31, 2016 (April 1, 2015- March 31, 2016)
Cash flows from investing activities		
Payments into time deposits	(2,574)	(660)
Proceeds from withdrawal of time deposits	28,582	2,079
Purchase of securities	(100)	–
Proceeds from sales and redemption of securities	938	2,400
Purchase of property, plant and equipment	(86,756)	(92,953)
Proceeds from sales of property, plant and equipment	10	109
Purchase of intangible assets	(877)	(720)
Payments for asset retirement obligations	(507)	(829)
Purchase of investment securities	(1,497)	(360)
Proceeds from sales and redemption of investment securities	1,803	9
Payments for investments in capital	(1,063)	(2,821)
Payments of recoverable accounts	(31,396)	(42,958)
Payments of loans receivable	(26)	(24)
Collection of loans receivable	17,342	5,065
Interest and dividend income received	13,004	5,784
Proceeds from dividends of residual property	23	13
Proceeds from capital reduction of investments	1,011	1,070
Other, net	(947)	(974)
Net cash provided by (used in) investing activities	(63,031)	(125,771)
Cash flows from financing activities		
Increase in short-term loans payable	223,797	171,394
Decrease in short-term loans payable	(202,648)	(214,137)
Proceeds from long-term loans payable	5,881	103,711
Repayments of long-term loans payable	(5,162)	(10,392)
Cash dividends paid	(2,816)	(2,899)
Dividends paid to non-controlling interests	(529)	(2,156)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	–	(398)
Interest expenses paid	(791)	(689)
Repayments of lease obligations	(557)	(619)
Proceeds from share issuance to non-controlling shareholders	1,303	11,005
Net cash provided by (used in) financing activities	18,475	54,816
Effect of exchange rate change on cash and cash equivalents	5,716	(2,791)
Net increase (decrease) in cash and cash equivalents	39,827	(16,086)
Cash and cash equivalents at beginning of period	102,830	142,657
Cash and cash equivalents at end of period	142,657	126,570

5. Others

Status of production and sales

1. Production

		Fiscal year ended March 31, 2015 (April 1, 2014 – March 31, 2015)	Fiscal year ended March 31, 2016 (April 1, 2015 – March 31, 2016)
E&P	Crude oil (kl)	1,990,143 (1,601,853)	1,908,080 (1,564,057)
	Natural gas (thousand m ³)	1,302,003 (436,841)	1,331,251 (507,328)
	LNG (t)	1,000	2,202
	Bitumen (kl)	332,757 (332,757)	306,432 (306,432)

- Notes: 1. The figures in parentheses represent overseas production and are included in the total.
2. Part of the natural gas production volume is used as a feedstock for LNG.
3. Bitumen is a type of extra-heavy oil extracted from oil sands.

2. Sales

		Fiscal year ended March 31, 2015 (April 1, 2014 – March 31, 2015)		Fiscal year ended March 31, 2016 (April 1, 2015 – March 31, 2016)	
		Volume	Amount (Millions of yen)	Volume	Amount (Millions of yen)
E&P	Crude oil (kl)	2,064,266	121,240	2,926,653	98,023
	Natural gas (thousand m ³)	1,710,779	83,974	1,780,537	68,469
	LNG (t)	274,044	28,311	208,246	17,715
	Bitumen (kl)	332,342	12,105	306,436	4,894
Subtotal			245,631		189,103
Contract services			10,487		9,797
Other businesses	Oil products/merchandise		41,040		32,609
	Others		7,751		8,792
	Subtotal		48,792		41,401
Total			304,911		240,302

- Notes: 1. “Oil products/merchandise” includes liquefied petroleum gas (LPG), fuel oil, gas oil and kerosene, and “Others” includes the transportation of natural gas and oil products as well as other subcontracted tasks.
2. Monetary amounts in the table do not include consumption taxes.