



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, 2016
(FY3/16)**

May 13 , 2016

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.

The provision of this document should not be construed as a solicitation for investment.

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Note: Abbreviations used herein are as follows:

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

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

(a) = Actual results

(e) = Estimates

FY = Fiscal Year (FY3/16, for instance, means 12 months ended March 31, 2016)

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Osamu Watanabe

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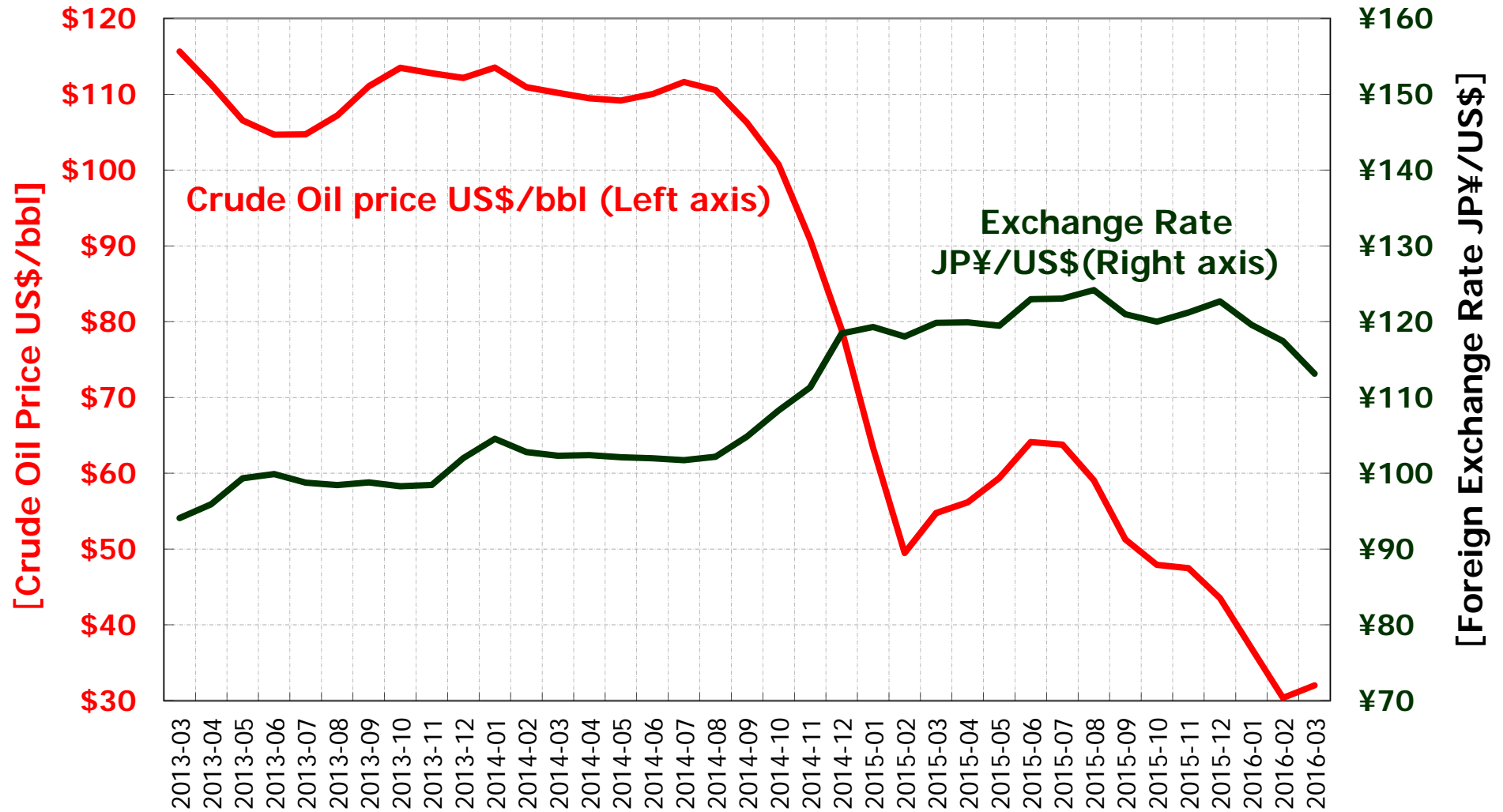
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Executive Officer Michiro Yamashita

I . Business Overview

President Osamu Watanabe

Trends in Crude Oil Prices and Foreign Exchange Rate



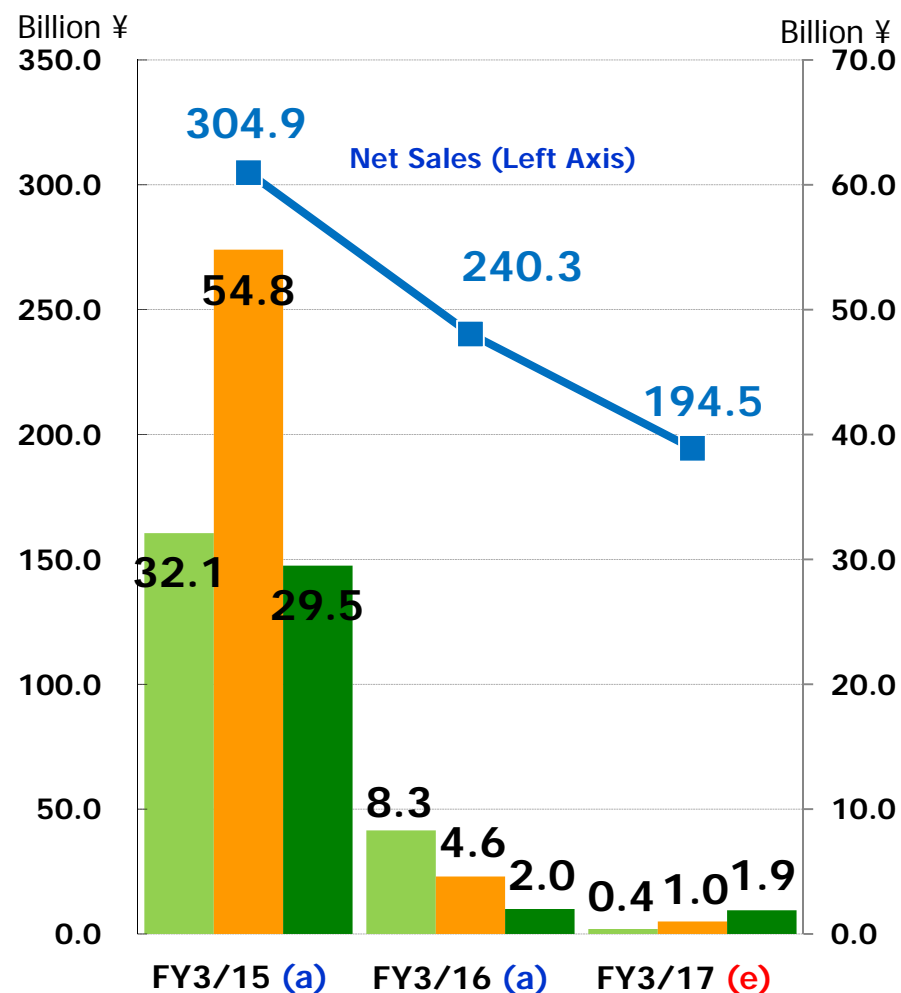
Actual Results for FY3/16 and Estimate for FY3/17 (Highlight)

Actual Results for FY3/16 (vs FY3/15)

Billion JP¥	FY3/15 (a)	FY3/16 (a)	Change	
Net Sales	304.9	240.3	-64.6	-21%
Operating Income	32.1	8.3	-23.8	-74%
Ordinary Income	54.8	4.6	-50.1	-91%
Profit attributable to owners of parent	29.5	2.0	-27.4	-92%
JCC Price (US\$/bbl)	96.48	51.48	-45.00	-46%
Exchange Rate (JP¥/US\$)	106.23	121.06	+14.83	+14%

Estimates for FY3/17 (vs FY3/16)

Billion JP¥	FY3/16 (a)	FY3/17 (e)	Change	
Net Sales	240.3	194.5	-45.7	-19%
Operating Income	8.3	0.4	-7.9	-95%
Ordinary Income	4.6	1.0	-3.6	-78%
Profit attributable to owners of parent	2.0	1.9	-0.1	-5%
JCC Price (US\$/bbl)	51.48	45.00	-6.48	-12%
Exchange Rate (JP¥/US\$)	121.06	115.00	-6.06	-5%



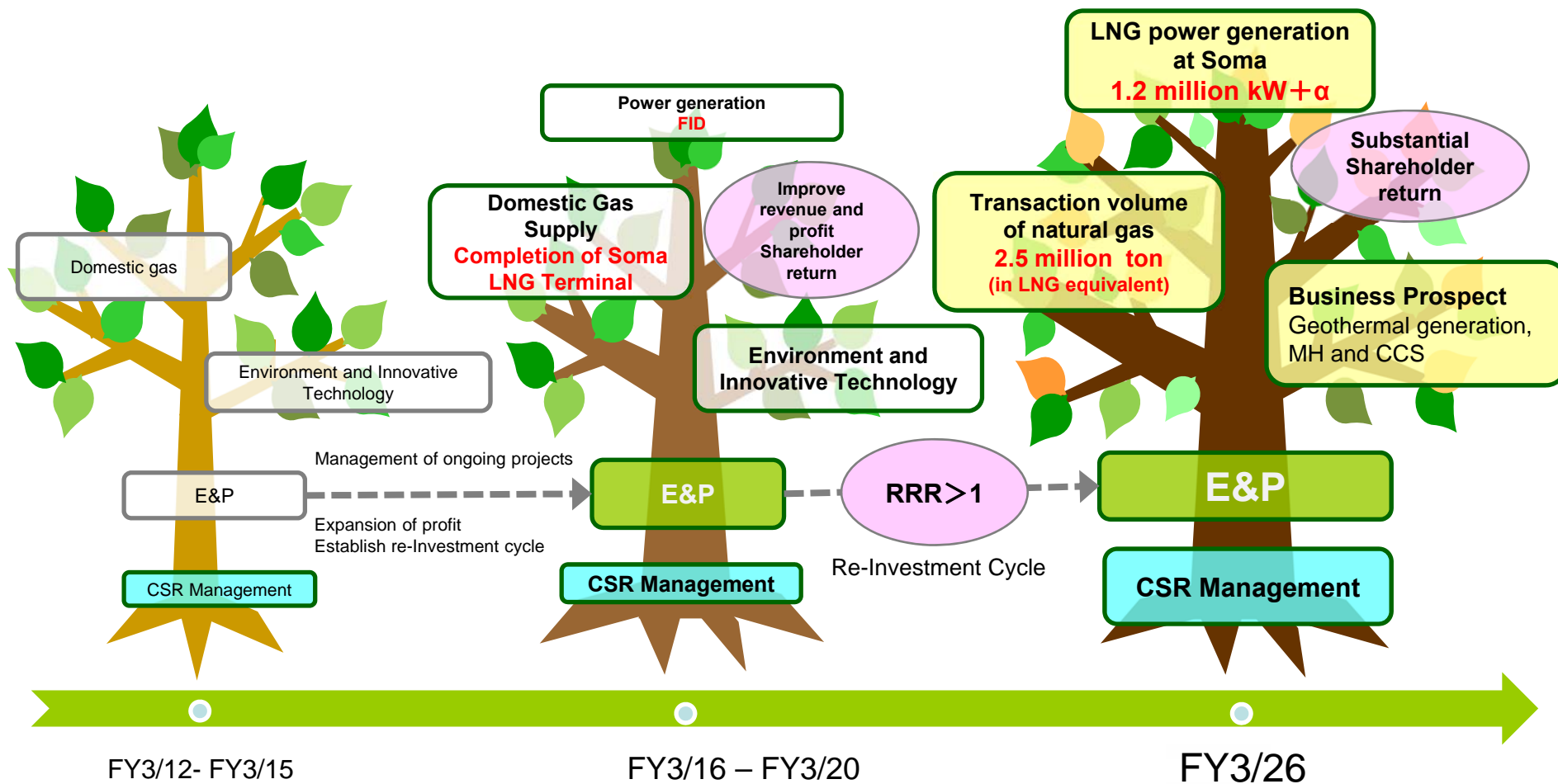
Right Axis

- Operating Income
- Ordinary Income
- Profit attributable to owners of parent

<Follow-Up of the Mid-Term Business Plan> Long-Term Business Vision and Medium-Term Business Plan

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

- 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”



<Follow-Up of the Mid-Term Business Plan>

Perception of Business Environment ① External Environment

■ Perception at the Mid-Term Business Plan (Summary)

- ① Actualized fluctuation risk of international crude oil price
- ② Geopolitical Risk
- ③ Intensifying competition of domestic gas business
- ④ Measure for global environmental problems

- It is unlikely to reach the international agreement to restrain fossil fuels by a large extent, and in mid-long terms, demands for oil and natural gas particularly in emerging countries will increase drastically. Oil and natural gas will continue to play major role in an international primary energy.



External environment afterward

- Low price of Oil and Natural gas ⇒ Excess in supply may continue
- Adoption of COP21/Paris Agreement ⇒ Movement to reduce Greenhouse gases may be accelerated

■ Our Current Perception

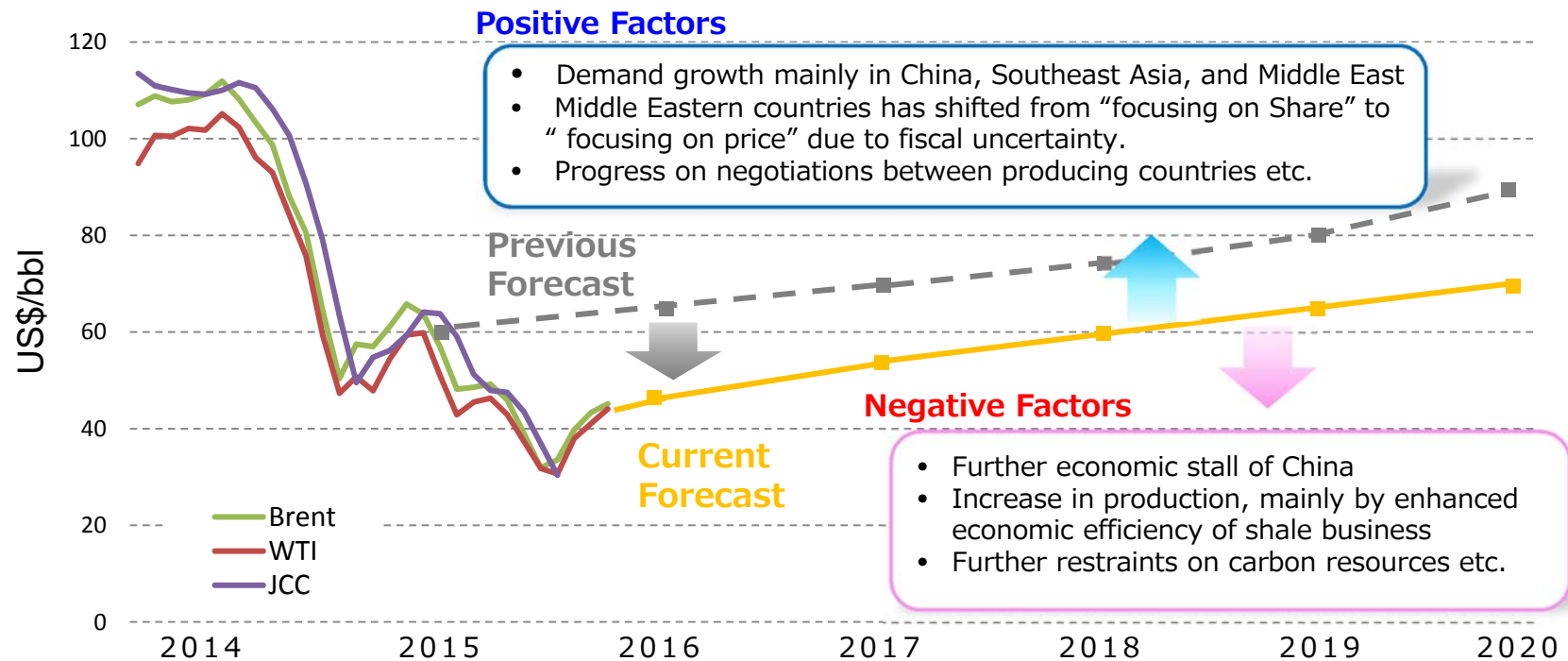
We are considering following trends: E&P industries are holding down investments, concern over unmet supply in the future, and estimated growth in oil demand of the emerging countries. We will continue to follow the trends carefully, but at this time, our current perception of the external environment stay the same, and we will continue to execute strategy of Long-Term Business Vision and Medium-Term Business Plan.

<Follow-Up of the Mid-Term Business Plan>

Perception of Business Environment ②Oil Price/Exchange Rate

- Revision of Oil Price and Exchange Rate Forecast based on the decline of oil prices from the time plan has been unveiled.

➤ We are estimating slower recovery of oil prices



Base Case (figures in parentheses are previous forecasts)

		2016	2017	2018	2019	2020
Oil Price	US\$/bbl	45 (65)	55 (70)	60 (75)	65 (80)	70 (90)
Exchange Rate		¥ 115/US\$ (120) • ¥ 80/CA\$ (105)				

<Follow-Up of the Mid-Term Business Plan>

Progress situation ① Current status of ongoing projects

■ E&P business

<Most important mission> Overseas
Steady management of ongoing projects

Canada Shale Gas and LNG project

- ✓ **Upstream:** Based on the low gas price, continuation of the upstream development that takes into account the economic efficiency.
- ✓ **Midstream:** The pursuit of economic efficiency for FID after the Government approval.

Canada Oil Sands project

- ✓ For the start of production in 2017 1H, steady management of the Hangingstone expansion development.

Iraq : Garraf project

- ✓ 100,000 bbl/d stable production is ongoing.
- ✓ A step-by-step development towards 230,000 bbl/d is under discussion with the government.

Indonesia: Kangean project

- ✓ Preparing for the start of TSB Phase-2 gas production in 2019 2Q.

■ Domestic supply business

<Most important mission>

Establish comprehensive supply system of natural gas.
"Supply", "Procurement" diversification in both sides.

Soma LNG terminal

- ✓ Toward the start of operation in March 2018, during the construction work.
- ✓ It embarked on operations organizational structure development.

Soma power generation

- ✓ Toward the start of operation in January 2020, under consideration work.

■ Environment and innovative technology business

<Most important mission>

Efforts acceleration of large-scale projects (CCS/MH)

CCS

- ✓ The start of CCS demonstration project from April 2016.

Methane hydrate

- ✓ Second offshore production test of MH in preparation in 2017.

Geothermal energy

- ✓ Drilling planned for third exploratory well in Musadake (FY3/17).

<Follow-Up of the Mid-Term Business Plan>

Progress situation ② Action plan under the low oil price

- Risk analysis in the case of low oil & gas prices. Conducting a thorough cost reduction.

Canada Oil Sands

Hangingsone 3.75 section

Production
and Sales

- ✓ Temporary suspension of the production operation to improve the operating net cash flow and further pursue the opportunity of more profitable production.

HE Exploration

Expansion
development

- ✓ Development work ongoing.
- ✓ Targeting the start of production in 1H 2017.

Canada LNG

Upstream Gas Exploration

Pre-FID

- ✓ Control drilling and production plan in order to improve the project company's balance of payments, based on the local gas price trends.

LNG project

- ✓ Proceeding the Environmental Impact Assessment (Approval delay).
- ✓ Planning a thorough cost reduction.

Iraq

Garraf oil field

Production
and Sales

Expanded
development in
preparation

- ✓ Decision of additional investment plan to enable self-turnover of cash flow and dividend suspension in the project company.

Indonesia Kangean

TSB Phase2

Production
and Sales

Prospecting
in preparation

- ✓ Impact of a low oil price is minor.

Prospecting of South Saubi structure

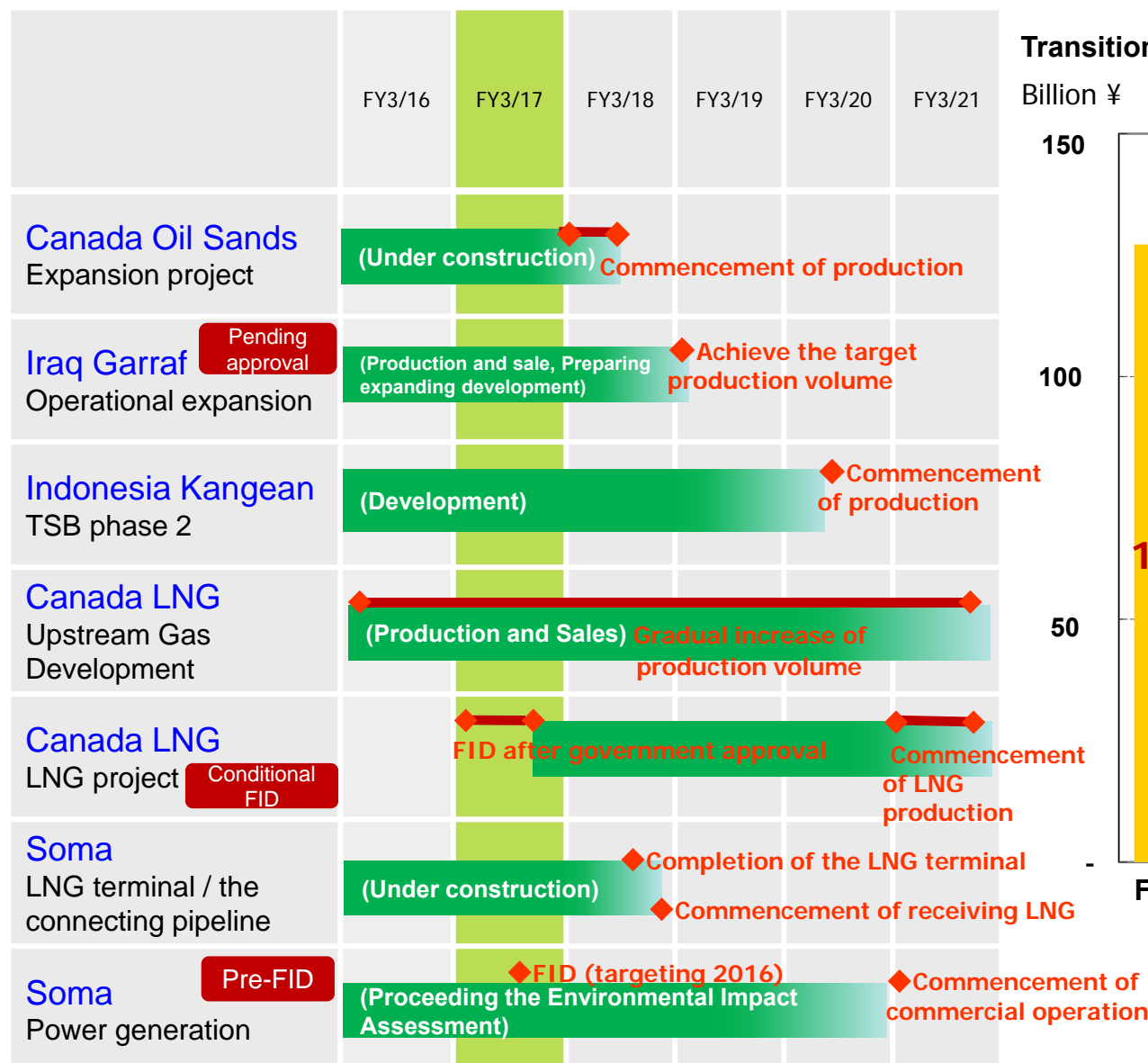
- ✓ Reduction of drilling costs that take advantage of the drop in market conditions.

Other

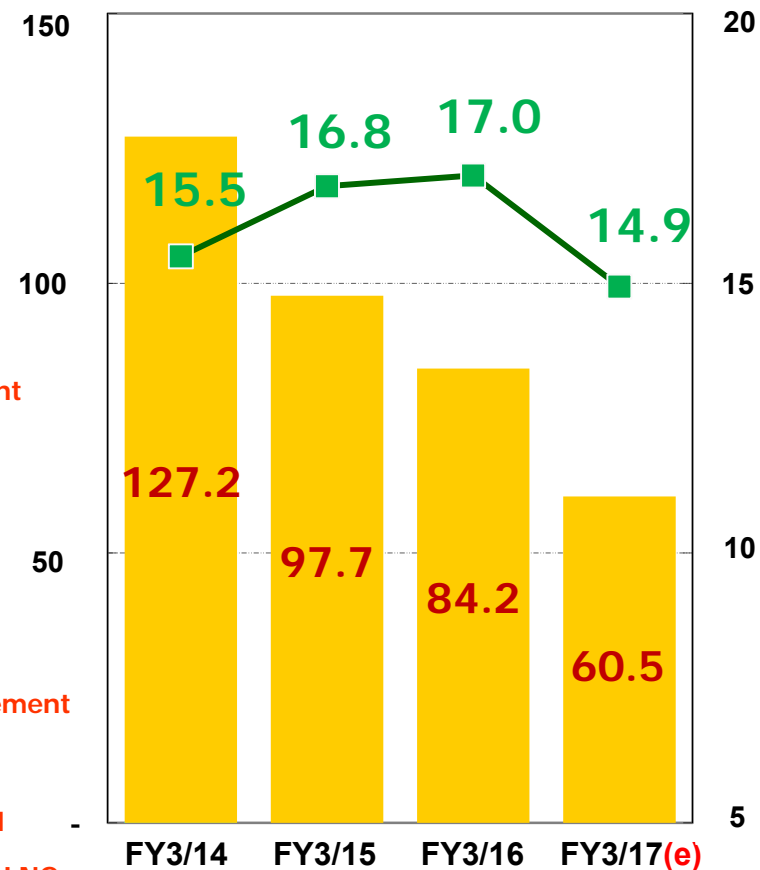
- ✓ Cost reduction with a focus on exploration expenses and SG&A expenses (22% decrease in exploration expenses and SG&A expenses, comparing FY3/16 and FY3/17. See p.36).
- ✓ Capital expenditures suppression (28% decrease, comparing FY3/16 and FY3/17. See next page).
- ✓ Freezing of new investment
- ✓ Consider the transfer of non-core assets (Reached an agreement to transfer Aceh Block A, Indonesia).

<Follow-Up of the Mid-Term Business Plan>

Progress situation ③ Timeline of major projects



Transition of capital investment and depreciation
Billion ¥



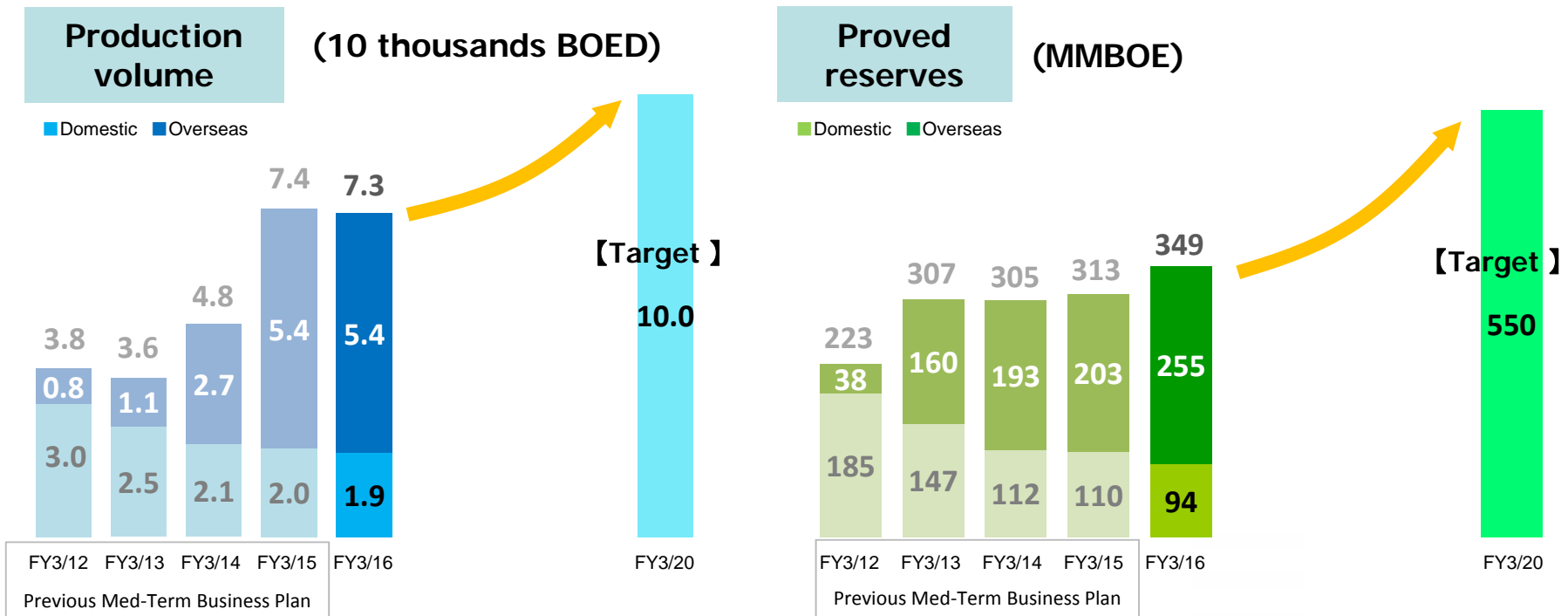
Capital investment (Yellow bar) Depreciation (Green line)

<Follow-Up of the Mid-Term Business Plan>

Progress situation ④ Transition of production volume and proved reserves

■ Actual result on FY3/16; 73,000BOED / 349MMBOE

- 1% decrease in production volume. While Canada shale gas production volume has increased, domestic production was declining and economic share by cost recovery progress of Iraq Garraf project was reduced.
- 12% increase in proved reserves by the evaluation review of the progress of Canada shale gas development and Canada oil sands expansion project.
- Through further development of Canada Shale Gas project and progress of Iraq Garraf project, JAPEX aim at the achievement of the medium-term business plan.



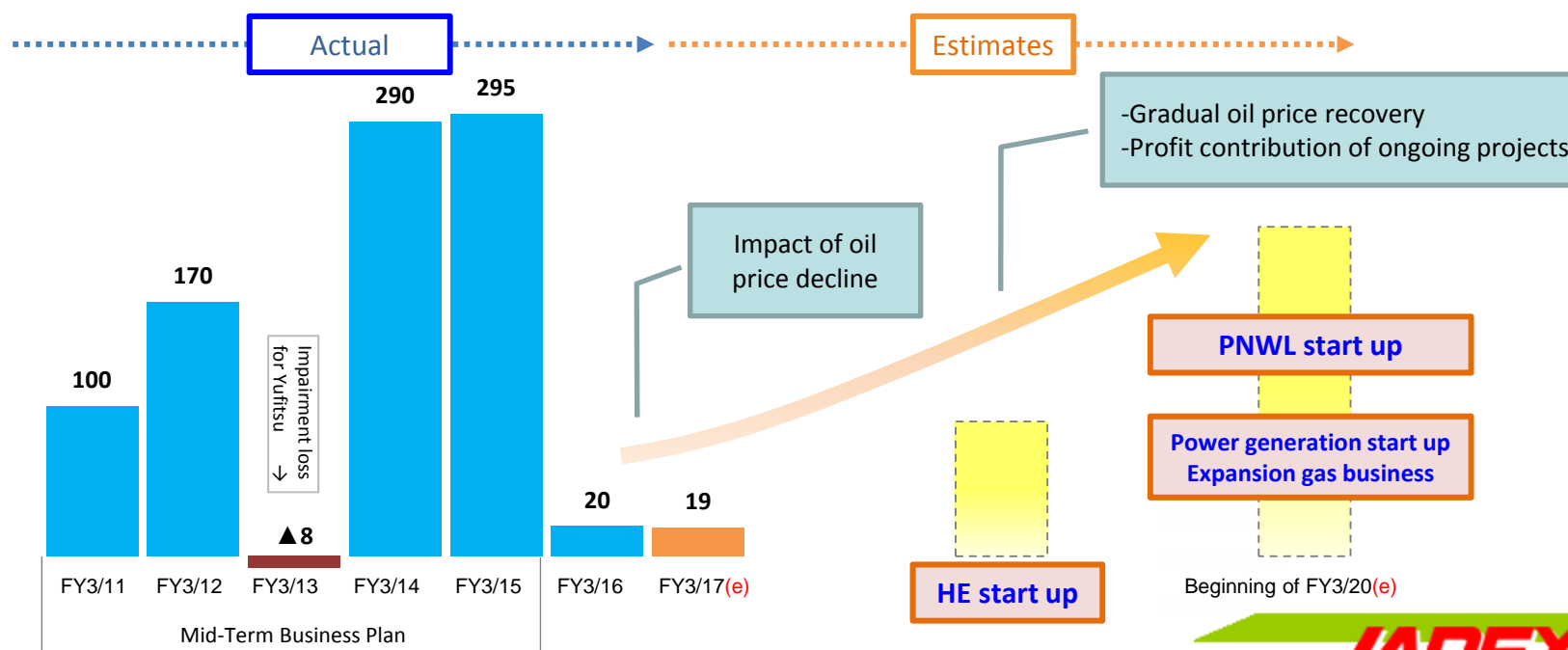
*These figures concerning production volume and proved reserves mean the amount by economic share of JAPEX group.

<Follow-Up of the Mid-Term Business Plan>

Profit Outlook and Shareholder Return

- Due to the sharp decline of oil price, consolidated profit and loss in FY3/16 has decreased significantly. Outlook also FY3/17 remains at a low level.
- **Maintaining the stable shareholder return** in a low oil price environment, attempt to secure future revenues by large-scale ongoing project management, thorough cost reduction and the synergistic effect of the oil price recovery.

Transition of Consolidated Profit and Loss (100M Yen)



<Follow-Up Our Mid-Term Business Plan> CSR – Promotion priority agenda “SHINE”

- S** : Stable & Sustainable Energy Supply
- H** : HSE as Our Culture
- I** : Integrity & Governance
- N** : Being a Good Neighbor
- E** : The Employer of Choice

We are implementing core CSR policies, expressed with the acronym SHINE, to grow as a trusted global company by meeting the expectations and requirements of our diverse stakeholders.

TARGET the Ratio of Female Managers

				【Target】
2014	2015	2020	
3.4%	4.5%	⇒	More than 10.0%	

TOPIC Selection as the FY2015 Nadeshiko Brand

JAPEX was selected as one of the FY2015 Nadeshiko Brand enterprises which encourage women to play active roles in the workplace by the METI and the Tokyo Stock Exchange.



<Appendix> E&P Business ①

Domestic exploration: Result for FY3/16 & Plan for FY3/17

● Drilling work FY3/16

	Total Depth	1Q			2Q			3Q			4Q			
		4	5	6	7	8	9	10	11	12	1	2	3	
Minami-Kashiwazaki SK-1D (Exploratory Well)	2,900m													abandon

■ Geophysical prospecting survey work FY3/16

	Nagaoka and Ojiya-city, Niigata pref. (82 point)
Uonuma MT 3D	Work planned from Sep. to Nov. (Electromagnetic survey: Investigate the electrical resistivity of the underground rock)

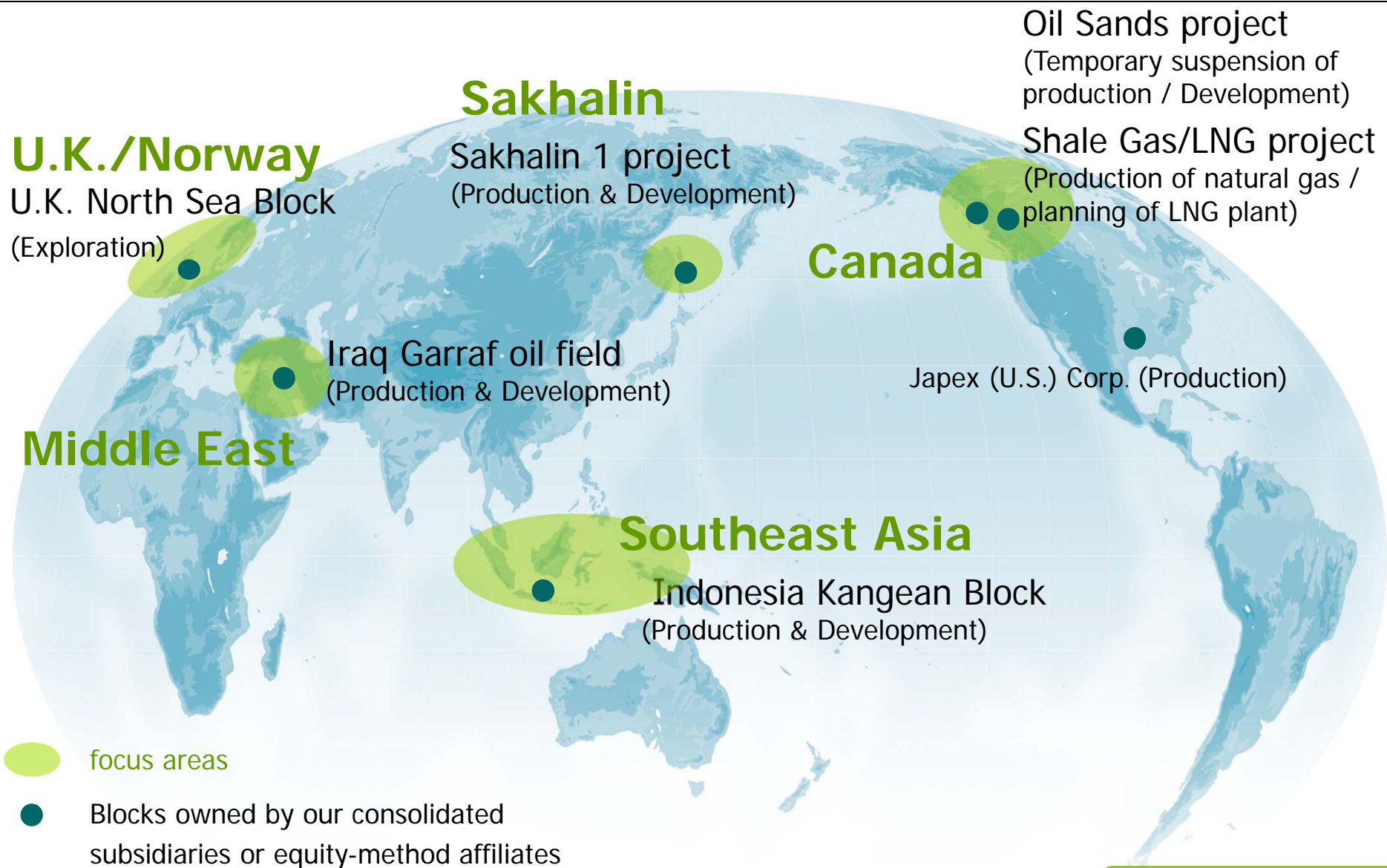
● Drilling / Geophysical prospecting survey work schedule for FY3/17

	Total Depth	1Q			2Q			3Q			4Q		
		4	5	6	7	8	9	10	11	12	1	2	3
* Domestic exploration is not scheduled in FY3/17													



<Appendix> E&P Business ②

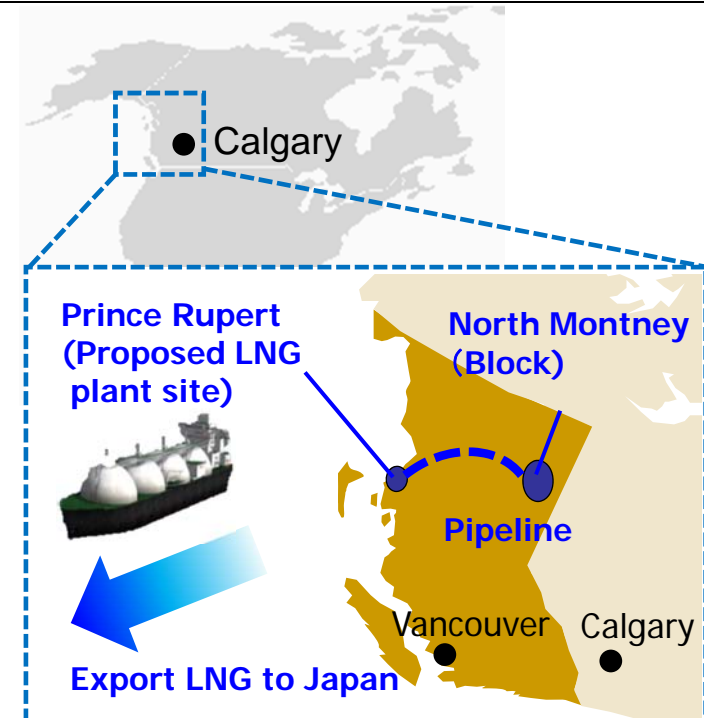
Current status of global business



<Appendix> E&P Business ③

Canada Shale Gas and LNG project

	Shale Gas development and Production project (Up-stream)	LNG project (Middle-stream)
Block / Proposed site	North Montney Area, British Columbia, Canada	Lelu Island, The Port of Prince Rupert, B.C.
Interest	10% Interest	10% Equity
Operator	PETRONAS (Including subsidiaries)	PETRONAS (Including subsidiaries)
Current status	Production and sales of Natural Gas	FEED



■ Project Schedule

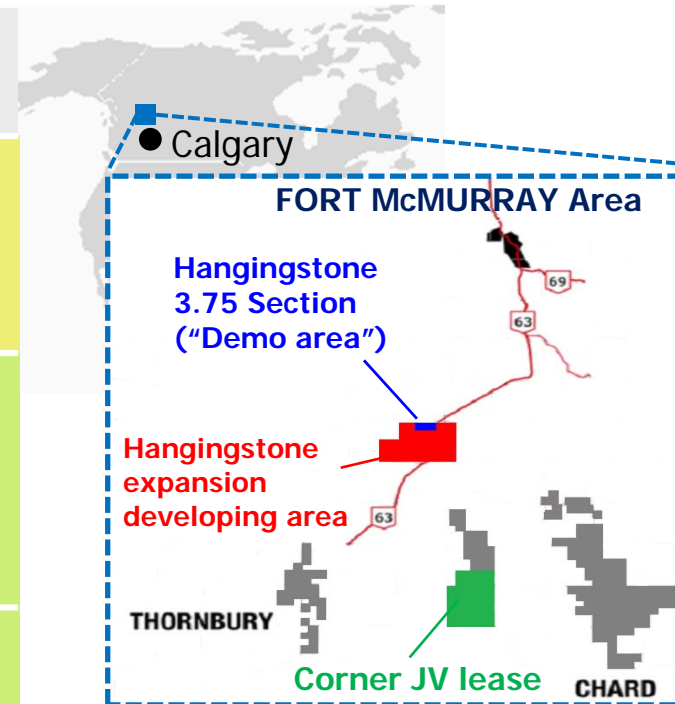
2013	Conclusion of contract, Production and sales of Natural Gas
June 2015	Conditional Final Investment Decision
July 2015	Approval of the Project Development Agreement by the Legislative Assembly of B.C.
2H 2016	FID of LNG plant after Government Approval
2020 or later	First LNG production (12MMtonnes/y)



<Appendix> E&P Business ④

Canada Oil Sands project

Project	Canada Oil Sands Co., Ltd. (CANOS)	
Company	Operator : Japan Canada Oil Sands Ltd. (JACOS)	
Block	Hangingstone 3.75 section 100% Interests Approximately 5,000 bbl/d (Suspending the production operation)	Temporary suspension of the production (Cumulative production : 35.07M bbl as of end of Mar. 2016)
	Expansion project of undeveloped part of Hangingstone area 75% Interests Additional production of 20,000 bbl/d at the maximum	In development
	Corner JV lease 12% Interests	In appraisal
	Other bitumen leases (include Corner, Chard & Thornbury)	Considering future activities



■ Schedule of Hangingstone Expansion

2013	Feb. : Started early civil work for construction facilities
2014	Aug. : Completed early civil work and started construction of facilities
2015	Feb. : Completed exploration of horizontal wells
1H 2017	Commencement of production

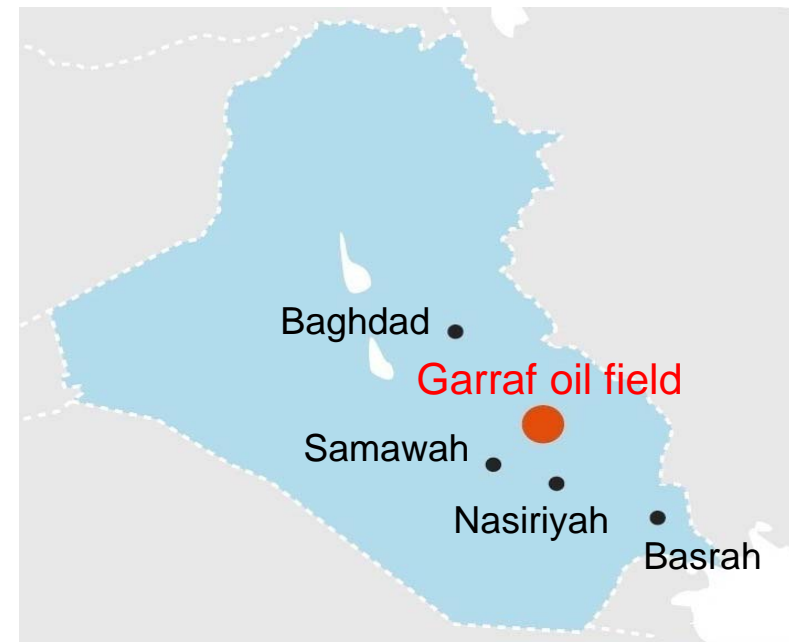


Construction site of central facility for Hangingstone Expansion

<Appendix> E&P Business ⑤

Iraq : Garraf oil field

Project company	Japex Garraf Ltd.	
Interest	30% (cost share 40%) Operator : PETRONAS	
Field	Garraf	In Production
2013	2030	
Expected cumulative production : Around 1.1 billion bbl		



Time Schedule

2013	<u>First oil production on August 31</u> Average daily production : Approximately 64,000 bbl/d
2014 – 2016	Average daily production 2014 : Approximately 84,000 bbl/d 2015 - : Approximately 100,000 bbl/d * Gradual increase of production volume
2017 –	Achieving production of 230,000 bbl/d

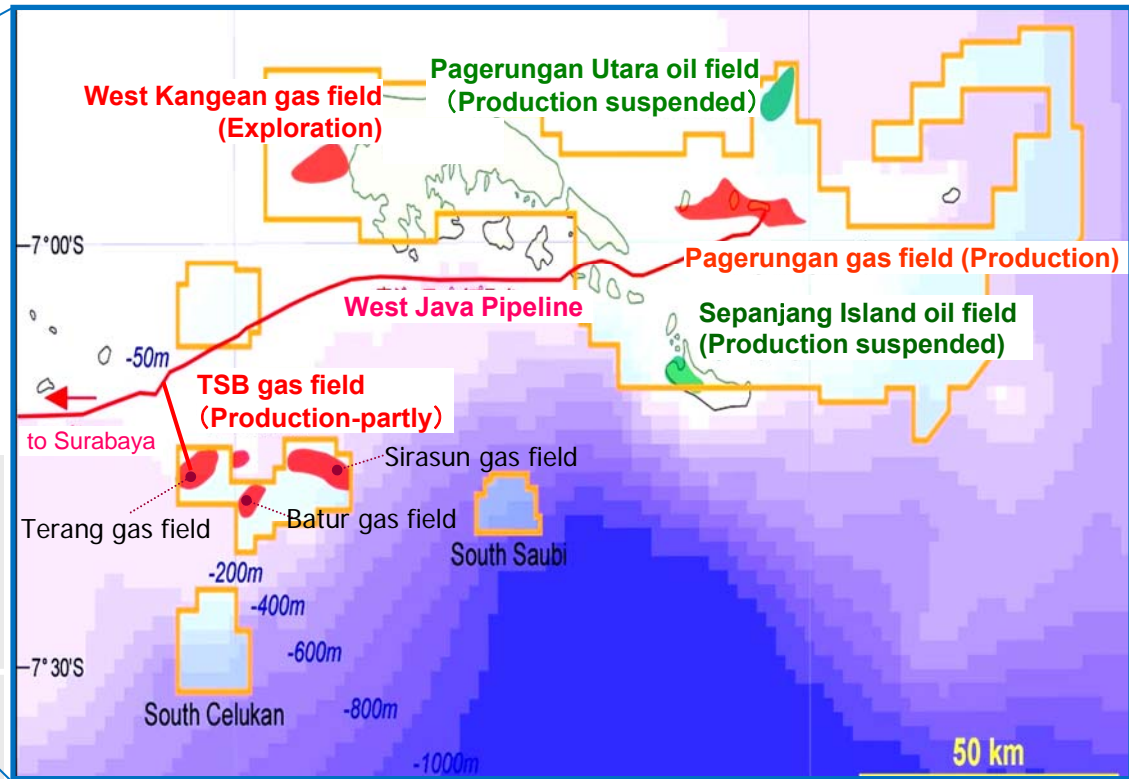


<Appendix> E&P Business ⑥

Indonesia: Kangean Block



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



- production volume : approximately **50,000boe/d**
- the TSB gas field
(Phase1: *Terang*) : Production started in end-May 2012.
Maximum production 0.3billion cf/d
(Approximately 50,000boe/d)
(Phase2: *Sirasun, Batur*) : Targeting the start of production in 2H 2019.
- South Saubi Structure : Targeting prospecting in July 2016.

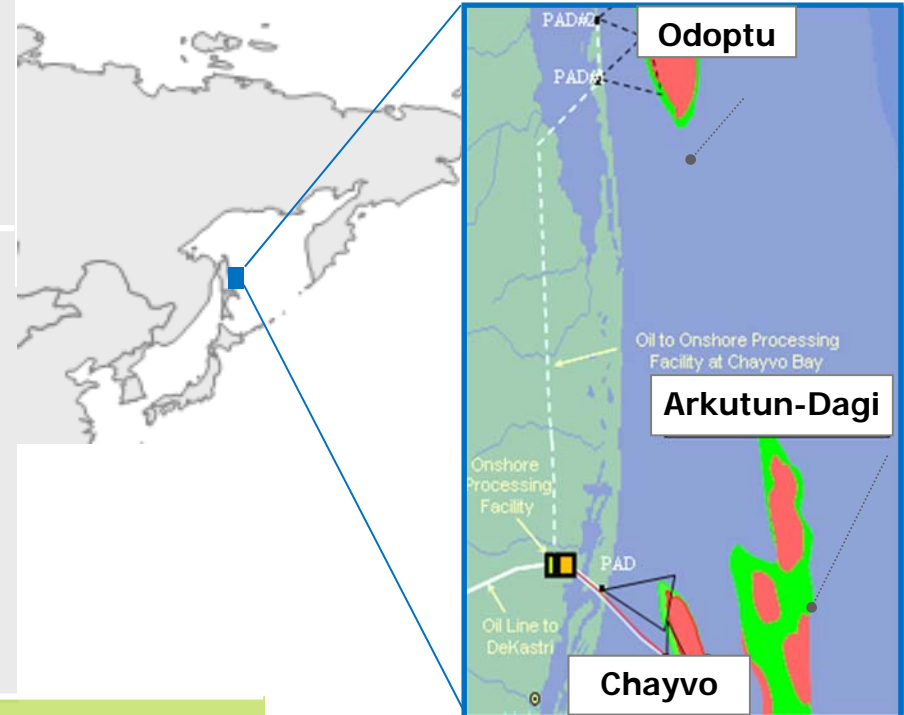
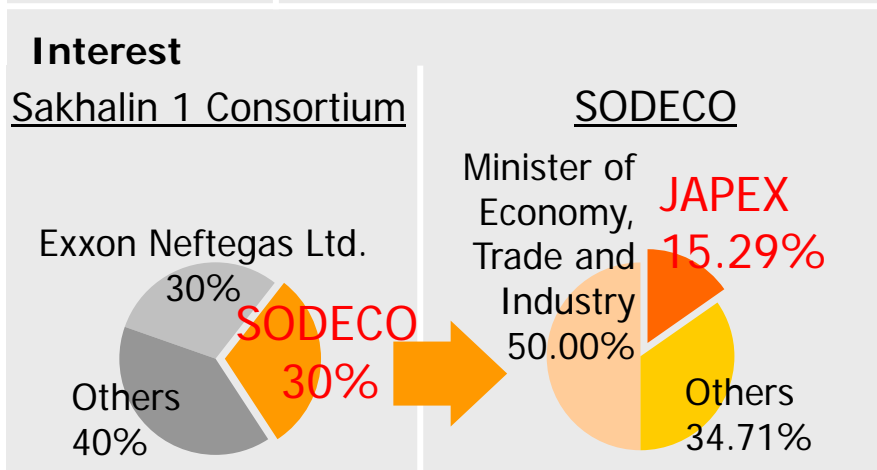


FPU (floating Production Unit) in the Terang gas field

<Appendix> E&P Business ⑦

Sakhalin 1 project

Project Company	Sakhalin Oil and Gas Development Co., Ltd. (SODECO) Equity-method affiliate
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Block	Chayvo, Odoptu, Arkutun-Dagi	<p>In Production at each fields</p> <ul style="list-style-type: none"> * The Arkutun-Dagi field commenced oil production in January 2015. * The Chayvo field achieved a new world-record of extended reach drilling. <p>Total production volume of Crude Oil: Approximately 180,000 bbl/d*</p> <p>* Average production volume per day on 2016, based on JAPEX's estimates.</p>
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<Appendix> Domestic supply business ①

Construction of Soma LNG terminal

■ Soma LNG terminal Facilities

Site	Shinchi-Town, Fukushima Pref. (No.4 wharf area of Soma Port)
Capacity	One LNG Tank of Aboveground Style/PC type containing 230,000kl
Receiving capacity	LNG ocean-going vessel : Full set (maximum 210,000m ³ class) LPG domestic vessel : Full set (maximum 2,500m ³ class)
Vaporizers	Sending power : 7.0MPa 150t/h
Shipping facilities	LNG domestic vessel : maximum 4,800 m ³ class Tanker truck : 5 lanes, 30t/h
Commencement of operation	March 2018 (Planned)



■ Connecting pipeline facilities

Starting point / End point	Starting point : Soma LNG terminal End point : Iwanuma branch Valve station (Iwanuma city, Miyagi Pref.)
Caliber	20B
Pressure	7Mpa
Length	Around 39km
Commencement of operation	March 2018 (Planned)



■ Soma LNG terminal
Panoramic view of the LNG tank and landfill



■ Connecting gas P/L between Soma and Iwanuma
Installation work for arcuate long tube over the Abukuma river

<Appendix> Domestic supply business ②

Soma power generation

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

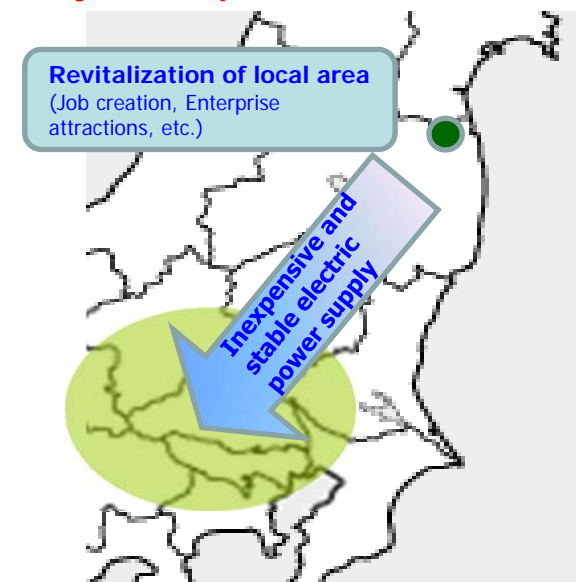
Driving force	Gas turbine and steam power (combined cycle system)
Output power	Approximately 1.2 million kW (approximately 600 thousand kW × 2)
Current status	Establishment of Fukushima Gas Power Co., Ltd. / Proceeding environmental assessment



■ Schedule (Planned)

Nov. 4, 2014	Submission of "the Document on Primary Environmental Impact Consideration" to the METI
Jan. 5, 2015	Written opinion issued by the METI on "the Document on Primary Environmental Impact Consideration"
Apr. 23, 2015	Establishment of Fukushima Gas Power Co., Ltd.
May. 7, 2015	Submission of "the Draft of the Assessment method" to the METI
Oct.6, 2015	Receipt of the recommendation of "the Draft of the Assessment method" from the METI
Mid 2016	Submission of "the Draft Environmental Impact Statement" to the METI
Mid 2017	Completion of procedures of the Environmental Impact Assessment / Commencement of construction
2020	Commencement of commercial operation

Targeting commercial operations to Tokyo metropolitan area in 2020.



<Appendix> Environment and innovative technology

Geothermal, MH, CCS, Solar power

CCS



Facilities of CCS demonstration project in Tomakomai city

Tomakomai City

Geothermal power

Mt. Musa area
(Shibetsu Town)

Mt. Furebetsu
south area
(Kushiro City)

* Ongoing local negotiation.



Provisional jet test in Mt. Musa area

Solar power



Mega-solar power station at JAPEX Hokkaido district office

Bandai area

Offshore Atsumi and Shima peninsulas

Methane Hydrate



The world's first offshore methane hydrate gas production tests

Ⅱ . Actual Results for FY3/16

Executive Officer Michiro Yamashita

Actual Results for FY3/16 (Highlight)

billion JP¥	FY3/15 (a)	FY3/16			(a)
		Initial Estimate (e) (May.12, '15)	Revised Estimate (e) (Nov.6, '15)	Revised Estimate (e) (Feb.5, '16)	
Net Sales	304.9	271.1	257.7	245.7	240.3
Operating Income	32.1	9.1	8.6	8.6	8.3
Ordinary Income	54.8	14.0	5.8	5.1	4.6
Profit attributable to owners of parent	29.5	11.7	6.9	5.2	2.0

Assumptions

JCC Price (US\$/bbl)	96.48	60.00	54.81	51.37	51.48
Exchange Rate (JP¥/US\$)	106.23	115.00	120.82	121.05	121.06

◆ Initial Estimate (May. 2015) → Revised Estimate (Nov. 2015) → Revised Estimate (Feb. 2016)

【-】Decline in sales prices for oil and gas,
Foreign currency translation adjustments on the foreign currency denominated debt,
Fluctuation in foreign currency exchange gains and losses,
An increase in the tax expense.

◆ Revised Estimate (Feb. 2016) → Second revision (Apr. 2016) and Actual Result (May.2016)

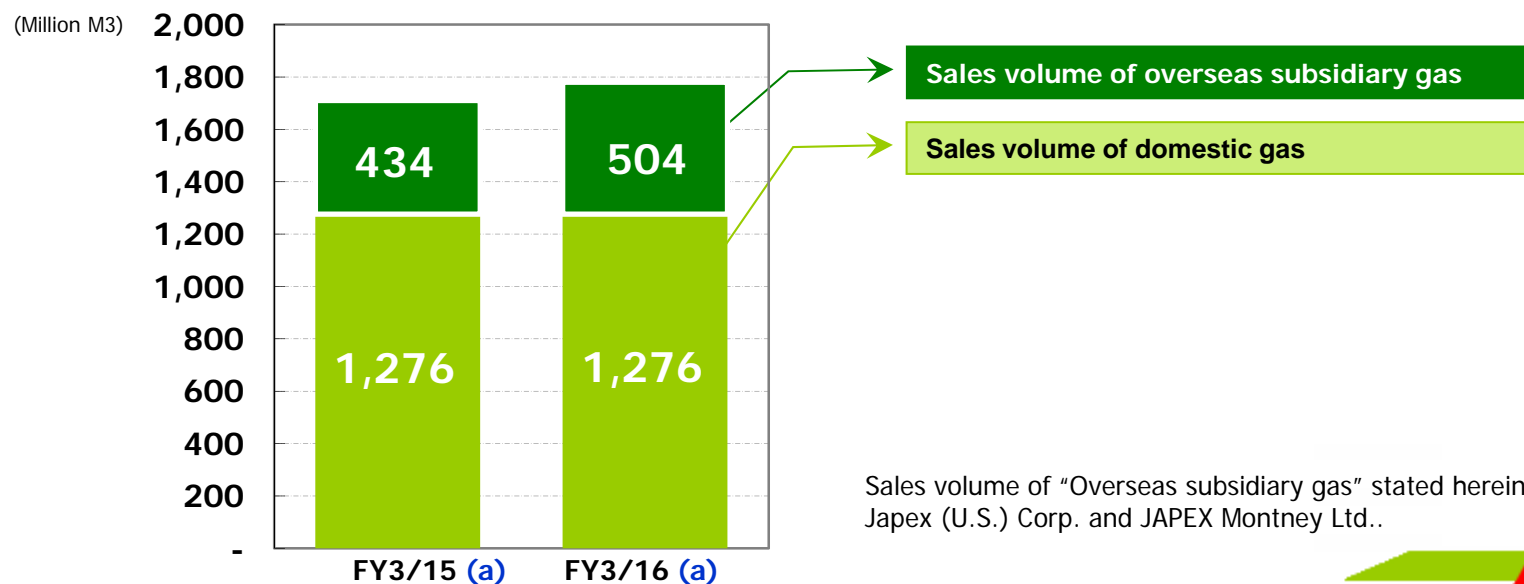
【-】Decrease of crude oil sales volume from overseas,
Impairment Loss.

Actual Sales of Natural Gas for FY3/16 (year-on-year)

Sales volume : Million M3 Net sales : Million JP¥		FY3/15		FY3/16		change	
		1H (a)	Full (a)	1H (a)	Full (a)	1H	Full
Natural gas	Sales volume	775	1,710	820	1,780	+45	+70
	Net sales	37,458	83,974	33,031	68,469	-4,427	-15,505

Breakdown

Domestic gas	Sales volume	578	1,276	579	1,276	+0	-0
(Domestically produced gas)	Sales volume	(382)	(813)	(361)	(769)	(-21)	(-44)
Overseas gas	Sales volume	196	434	241	504	+45	+70



Actual Sales of Crude Oil for FY3/16 (year-on-year)

Sales volume : Thousand KL Net sales : Million JP¥		FY3/15		FY3/16		change	
		1H (a)	Full (a)	1H (a)	Full (a)	1H	Full
Crude oil	Sales volume	1,107	2,396	1,480	3,233	+372	+837
	Net sales	73,500	133,346	57,148	102,918	-16,352	-30,428

Breakdown

Domestic crude oil (*)	Sales volume	190	367	180	340	-10	-27
	Net sales	13,768	23,857	8,427	13,815	-5,341	-10,042
Overseas crude oil (**)	Sales volume	273	830	669	1,616	+396	+786
	Net sales	18,568	43,466	24,416	48,384	+5,847	+4,918
Bitumen (***)	Sales volume	152	332	143	306	-9	-26
	Net sales	5,382	12,105	2,927	4,894	-2,454	-7,211

Assumptions

JCC price	US\$/bbl	110.06	96.48	59.21	51.48	-50.85	-45.00
Bitumen price (***)	US\$/bbl	53.36	50.48	26.16	21.05	-27.20	-29.43
Exchange rate	JP¥ / US\$	102.13	106.23	121.44	121.06	+19.31	+14.83

(*) Sales volume and net sales of "Domestic crude oil" stated herein do not include purchased crude oil.

(**) Sales volume and net sales of "Overseas crude oil" stated herein are amounts of 3 overseas subsidiaries (Japex (U.S.) Corp., JAPEX Montney Ltd. and Japex Garraf Ltd.).

(***) Royalty is excluded in the net sales and price of Bitumen. From the 3Q FY3/16, Japan Canada Oil Sands Ltd., overseas consolidated subsidiaries, have changed functional currency from Canadian dollar to US dollar.

Actual Results for FY3/16 (year-on-year)

Million JP¥	FY3/15 (a)	FY3/16 (a)	Change	Causes of increase(+) or decrease(-)
Net sales	304,911	240,302	-64,609	Gross profit Domestic crude oil and natural gas - ¥10.3 billion Overseas consolidated subsidiaries - ¥11.6 billion
Gross profit	70,262	47,279	-22,983	
Exploration expenses	4,489	6,516	+2,027	Exploration expenses Domestic exploration - ¥0.4 billion Overseas exploration + ¥2.5 billion
SG&A expenses	33,625	32,426	-1,199	
Operating income	32,146	8,336	-23,810	Non-operating income (expenses) Equity in earnings - ¥10.3 billion Foreign currency translation adjustments on debt, Fluctuations in foreign currency exchange gains and losses Marginal profit ¥6.6 billion (FY3/15)→Losses ¥8.8 billion (FY3/16) - ¥ 15.4 billion
Non-operating income (expenses)	22,692	-3,684	-26,376	
Ordinary income	54,839	4,652	-50,187	
Extraordinary income (losses)	-4,465	-3,143	+1,322	Extraordinary income (losses) Decrease of an impairment loss + ¥0.9billion
Income taxes	17,644	6,388	-11,256	
Profit attributable to non-controlling interests (losses)	3,161	-6,970	-10,131	
Profit attributable to owners of parent	29,567	2,090	-27,477	

Ⅲ. Estimates for FY3/17

Executive Officer Michiro Yamashita

Revised Full Year Estimates for FY3/17

[Assumptions for Crude Oil Prices and Exchange Rate]

		Upper: from January 2015 to March 2016. Lower: from January 2016 to March 2017.					Full year	
		Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.		
W T I	US\$/bbl	2015(a)	48.70	57.75	46.50	42.03		48.75
		2016(e)	35.00	40.00	40.00	50.00		41.25
JCC price	US\$/bbl	2015(a)		56.49	62.50	48.91	36.82	51.48
		2016(e)		40.00	40.00	50.00	50.00	45.00
Exchange rate	JP¥/US\$	2015(a)		119.74	123.31	120.76	120.09	121.06
		2016(e)		115.00	115.00	115.00	115.00	115.00
JACOS Bitumen	US\$/bbl	2015(a)	22.37	30.64	19.70	13.55		21.05
		2016(e)	6.35	11.53	-	-		8.39
JML Gas	CA\$/mcf	2015(a)	2.37	2.35	2.30	1.57		2.12
		2016(e)	1.95	1.87	1.85	1.85		1.88

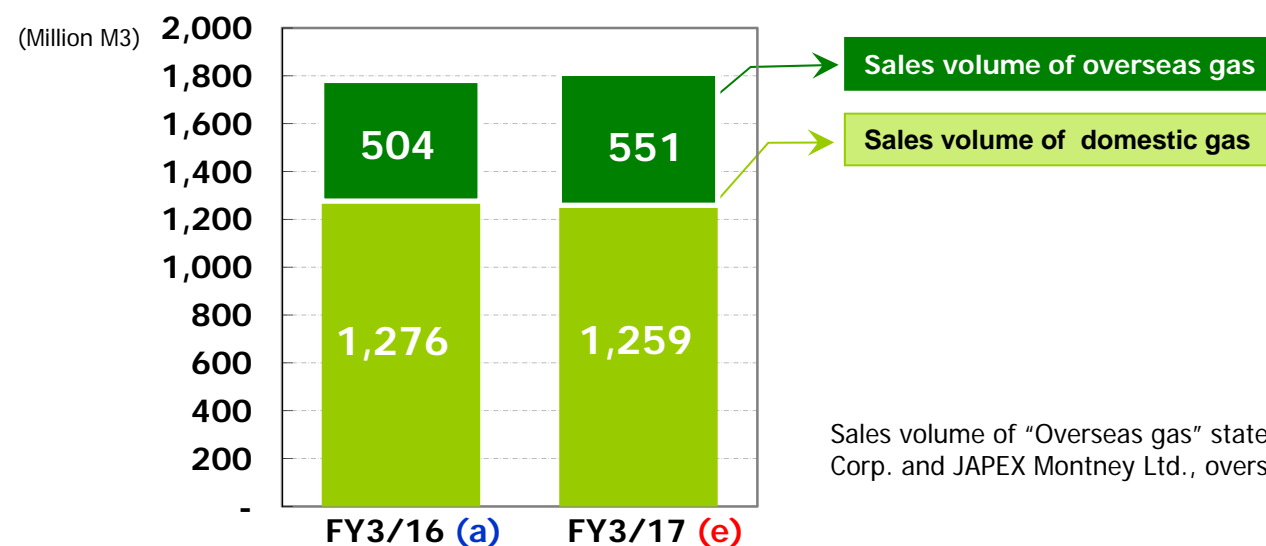
1. "JACOS Bitumen" stated herein Bitumen selling price of Japan Canada Oil Sands Ltd. (Deduction of Royalty). Assuming a temporary suspension of the production operation at the Hangingstone Demonstration Project area from May 2016, not estimate the 2H sales.
2. "JML Gas" stated herein Gas sales price of JAPEX Montney Ltd. (Deduction of Royalty)

Estimated Natural Gas Sales in FY3/17

		FY3/16		FY3/17		change	
		1H (a)	Full (a)	1H (e)	Full (e)	1H	Full
Sales volume : Million M3							
Net sales : Million JP¥							
Natural gas :	Sales volume	820	1,780	871	1,811	+51	+31
	Net sales	33,031	68,469	24,889	54,607	-8,142	-13,862

Breakdown

Domestic gas	Sales volume	579	1,276	570	1,259	-8	-17
(Domestically produced gas)	Sales volume	(361)	(769)	(341)	(737)	(-20)	(-32)
Overseas gas	Sales volume	241	504	300	551	+59	+47



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

Estimated Crude Oil Sales in FY3/17

Sales volume : Thousand KL Net sales : Million JP¥		FY3/16		FY3/17		change	
		1H (a)	Full (a)	1H (e)	Full (e)	1H	Full
Crude oil	Sales volume	1,480	3,233	1,280	2,564	-200	-669
	Net sales	57,148	102,918	32,233	76,286	-24,915	-26,632

Breakdown

Domestic crude oil (*)	Sales volume	180	340	150	296	-30	-44
	Net sales	8,427	13,815	4,671	10,288	-3,756	-3,527
Overseas crude oil (**)	Sales volume	669	1,616	669	1,326	-0	-290
	Net sales	24,416	48,384	15,866	36,182	-8,550	-12,202
Bitumen (***)	Sales volume	143	306	93	94	-50	-212
	Net sales	2,927	4,894	538	568	-2,389	-4,326

Assumptions

JCC price	US\$/bbl	59.21	51.48	40.00	45.00	-19.21	-6.48
Bitumen price (***)	US\$/bbl	26.16	21.05	7.96	8.39	-18.20	-12.66
Exchange rate	JP¥ /US\$	121.44	121.06	115.00	115.00	-6.44	-6.06

(*) Sales volume and net sales of "Domestic crude oil" stated herein do not include purchased crude oil.

(**) Sales volume and net sales of "Overseas crude oil" stated herein are amounts of 3 overseas subsidiaries (Japex (U.S.) Corp., JAPEX Montney Ltd. and Japex Garraf Ltd.).

(***) Royalty is excluded in the net sales and price of Bitumen. Japan Canada Oil Sands Ltd., overseas consolidated subsidiaries, has decided to temporarily suspend a production operation of bitumen at the Hangingstone Demonstration Project area from the middle of May 2016. Japan Canada Oil Sands Ltd., have changed functional currency from Canadian dollar to US dollar from the 3Q FY3/16.

Estimates for FY3/17

Million JP¥	FY3/16 (a)	FY3/17 (e)	Change	Causes of increase(+) or decrease(-)
Net sales	240,302	194,575	-45,727	
Gross profit	47,279	30,547	-16,732	Gross profit Domestic crude oil and natural gas - ¥8.6 billion Overseas consolidated subsidiaries - ¥5.9 billion Consignment revenue - ¥2.5 billion
Exploration expenses	6,516	1,867	-4,649	Exploration expenses Domestic exploration - ¥1.0 billion Overseas exploration - ¥3.6 billion
SG&A expenses	32,426	28,280	-4,146	SG&A expenses Decrease of transportation cost and G&A expenses of JACOS - ¥1.5 billion Cost Reduction, Decrease in depreciation - ¥1.0 billion
Operating income	8,336	400	-7,936	
Non-operating income (expenses)	-3,684	614	+4,298	Non-operating income (expenses) Equity in earnings - ¥2.8 billion Foreign currency translation adjustments on debt, Fluctuations in foreign currency exchange gains and losses +¥8.2 billion
Ordinary income	4,652	1,014	-3,638	
Extraordinary income (losses)	-3,143	-69	+3,074	Extraordinary income (losses) Decrease in the impairment loss +¥3.0 billion
Income taxes	6,388	2,510	-3,878	
Losses attributable to non-controlling interest (-)	-6,970	-3,550	+3,420	
Profit attributable to owners of parent	2,090	1,985	-105	

Assumptions and Impact on Profits

Assumptions	JCC price	Exchange rate	Canadian gas prices
	45.00 US\$/bbl	115.00 JP¥ / US\$	1.88 CA\$/mcf
FY3/17 Impact on Profits	1 US\$/bbl increase in JCC prices would push profits up by...	A weakening in 1 JP¥/US\$ exchange rates would push profits up by...	1 CA\$/mcf increase in Canadian gas prices would push profits up by...
Operating income	JP¥ 490 million	JP¥ 260 million	JP¥ 1,480 million
Net income	JP¥ 340 million	JP¥ 140 million	JP¥ 630 million

Assumptions		FY3/16			FY3/17			change
		1H (a)	2H (a)	Full (a)	1H (e)	2H (e)	Full (e)	
JCC price	US\$/bbl	59.21	42.89	51.48	40.00	50.00	45.00	-6.48
Exchange rate	JP¥/US\$	121.44	120.47	121.06	115.00	115.00	115.00	-6.06
Canadian gas prices	CA\$/mcf	2.36	1.88	2.12	1.91	1.85	1.88	-0.24

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.

Abbreviation

- 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 Equity
- RRR Reserves Replacement Ratio
- SODECO Sakhalin Oil & Gas Development Co., Ltd.
- TSB Terang, Sirasun, Batur
- WTI West Texas Intermediate