



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

Consolidated Financial Results for the Nine Months Ended December 31, 2016 <Supplementary Material>

February 8, 2017

Japan Petroleum Exploration Co., Ltd.

Cautionary Statement

Any information contained herein with respect to JAPEX's plans, forecasts, strategies and other statements that are not historical facts are forward-looking statements about the future performance of JAPEX. Readers should be aware that the actual results and events may be different from these projections because of various factors that could occur in the future.

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Note: abbreviations used herein are as follows:

(a) = actual result

(f) = forecasts

FY = fiscal year (FY3/17, for instance, means 12 months ending March 31, 2017)

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

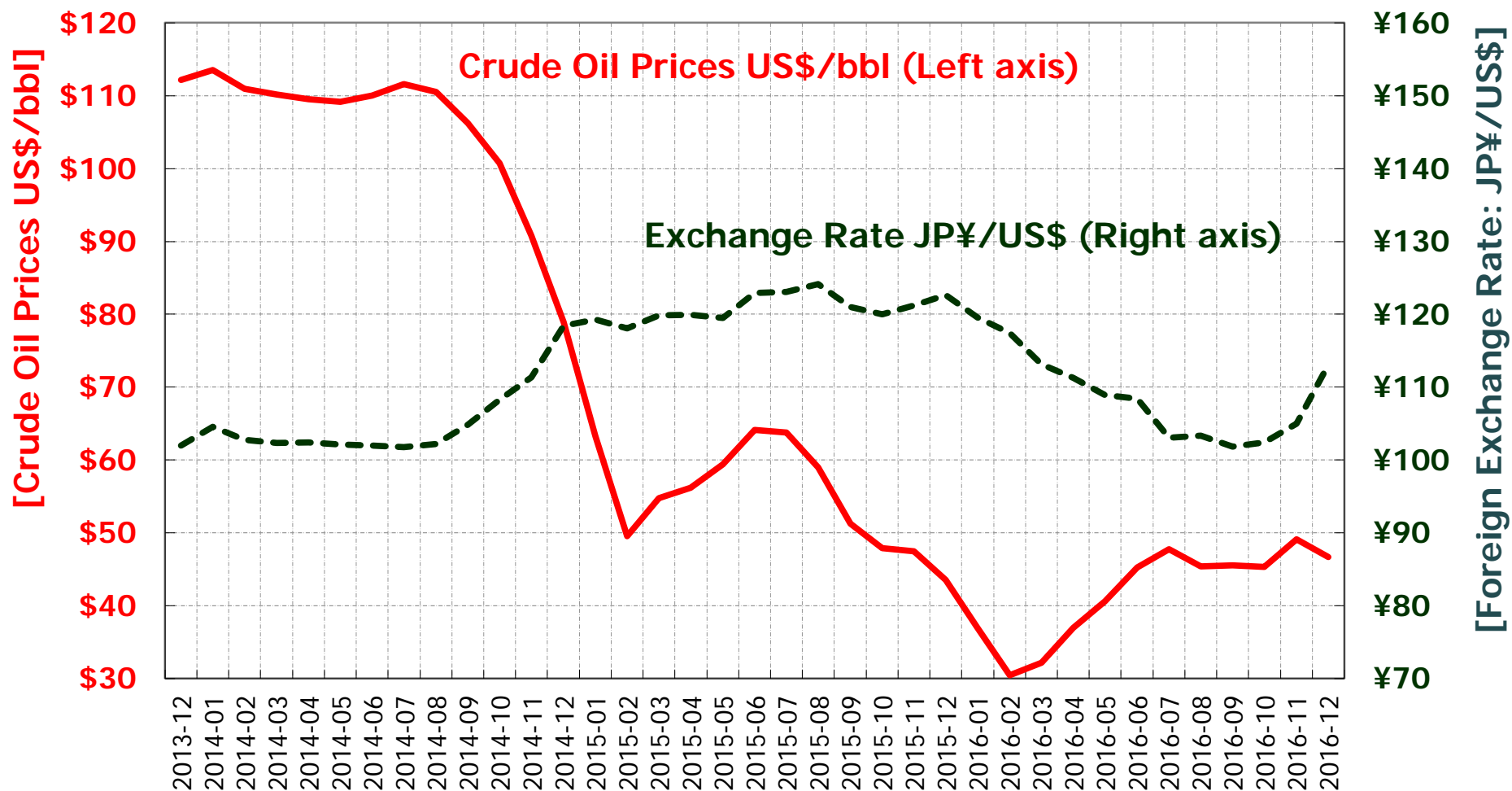
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Trends in Crude Oil Prices and Foreign Exchange Rate



Japan Crude Cocktail (JCC) price in the first 10 days of January 2017
on a prompt report basis : US\$ 50.97/bbl JP¥ 117.39/US\$

Consolidated Financial Forecasts for FY3/17 (Highlight)

Billion JP¥	FY3/16		FY3/17			Change	
	1Q-3Q (a) ①	Full (a) ②	1Q-3Q (a) ③	Previous forecasts Full (f) Nov.8, 2016 ④	Revised forecasts Full (f) Feb.8, 2017 ⑤	1Q-3Q ③-①	Full ⑤-②
Net sales	187.4	240.3	144.6	189.5	210.3	-42.7	-29.9
Operating income (loss)	6.9	8.3	-1.6	-1.2	-0.8	-8.5	-9.2
Ordinary income (loss)	6.6	4.6	0.2	-3.7	3.5	-6.4	-1.0
Profit (loss) attributable to owners of parent	6.3	2.0	1.8	-0.3	4.9	-4.5	+2.8

Assumptions

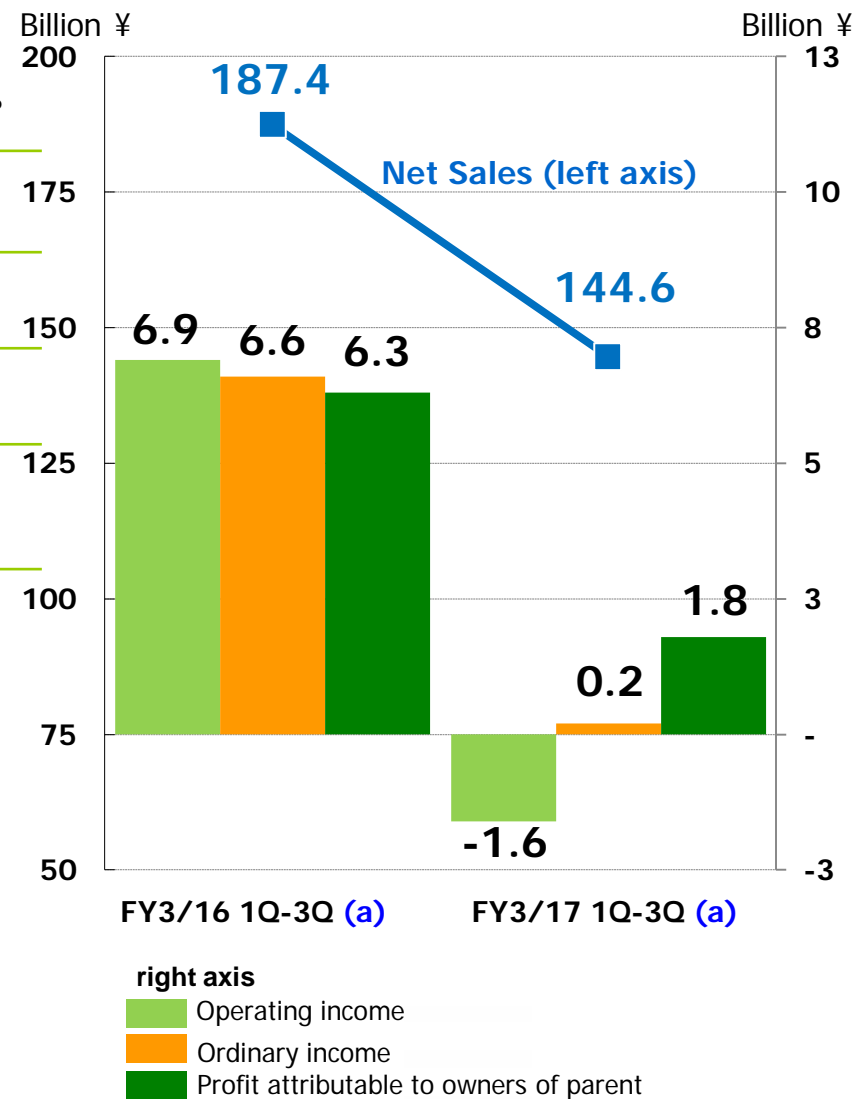
JCC price	US\$/bbl	56.00	51.48	43.35	43.34	45.09	-12.65	-6.39
Bitumen price	US\$/bbl	23.85	21.05	9.94	9.94	9.94	-13.91	-11.11
Exchange rate	JP¥/US\$	121.26	121.06	106.06	103.63	107.20	-15.20	-13.86

Actual Financial Results for 1Q-3Q FY3/17 (Summary)

Billion JP¥	FY3/16 1Q-3Q (a)	FY3/17 1Q-3Q (a)	Change	Change VS Previous Forecasts%
Net sales	187.4	144.6	-42.7	-22%
Operating income (loss)	6.9	-1.6	-8.5	- %
Ordinary income (loss)	6.6	0.2	-6.4	-95%
Profit (loss) attributable to owners of parent	6.3	1.8	-4.5	-71%

Assumptions

JCC price	US\$/bbl	56.00	43.35	-12.65
Bitumen price	US\$/bbl	23.85	9.94	-13.91
Exchange rate	JP¥/US\$	121.26	106.06	-15.20



Actual Sales of Natural Gas in 1Q-3Q FY3/17 (year-on-year)

1Q-3Q Result

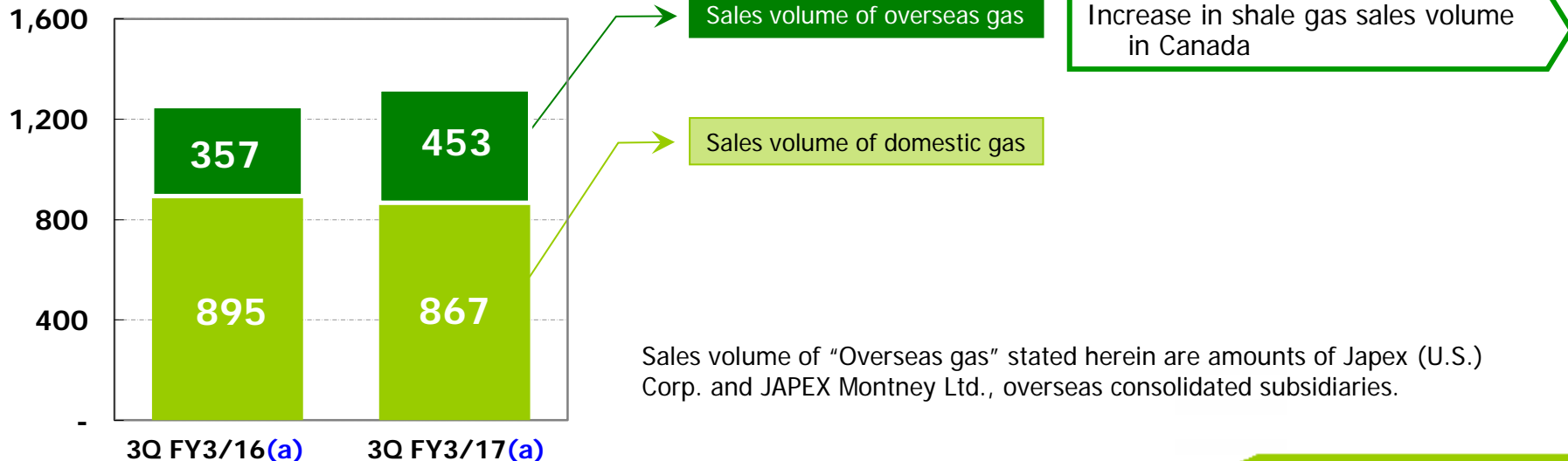
Sales volume : Million M3 Net sales : Million JP¥		FY3/16	FY3/17	Change
		1Q-3Q (a)	1Q-3Q (a)	
Natural gas	Sales volume	1,253	1,321	+68
	Net sales	49,170	37,170	-11,999

Decline in sales price

Breakdown

Domestic gas	Sales volume	895	867	-28
(Domestically produced gas)	Sales volume	(552)	(521)	(-30)
Overseas gas	Sales volume	357	453	+96

Million M3



Actual Sales of Crude Oil in 1Q-3Q FY3/17 (year-on-year)

1Q-3Q Result

		FY3/16	FY3/17	Change
Sales volume : Thousand KL				
Net sales : Million JP¥		1Q-3Q(a)	1Q-3Q(a)	
Crude Oil	Sales volume	2,506	2,320	-185
	Net sales	87,460	63,720	-23,740

Breakdown

Domestic crude oil *1	Sales volume	260	224	-36
	Net sales	11,478	7,166	-4,311
Overseas crude oil *2	Sales volume	1,294	1,167	-126
	Net sales	42,636	27,555	-15,080
Bitumen *3	Sales volume	223	91	-131
	Net sales	4,018	594	-3,423

Decrease in crude oil sales volume from Garraf Oil Field, Iraq

Decrease in sales volume because of a temporarily suspend a production operation

Assumptions

JCC price	US\$/bbl	56.00	43.35	-12.65
Bitumen price	US\$/bbl	23.85	9.94	-13.91
Exchange rate	JP¥/US\$	121.26	106.06	-15.20

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

*2 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.).

*3 Royalty is excluded in the net sales and price of "Bitumen".

Actual Results for 1Q-3Q FY3/17 (year-on-year)

Million JP¥	FY3/16	FY3/17	Change
	1Q-3Q (a)	1Q-3Q (a)	
Net sales	187,402	144,678	-42,724
Gross profit	37,465	20,668	-16,796
Exploration expenses	6,335	1,104	-5,230
SG&A expenses	24,221	21,240	-2,981
Operating income (loss)	6,907	-1,676	-8,584
Other income (expenses)	-221	1,951	+2,172
Ordinary income (loss)	6,686	274	-6,412
Extraordinary income (loss)	-27	-288	-260
Income taxes	5,566	620	-4,945
Profit (loss) attributable to non-controlling interests	-5,275	-2,483	+2,792
Profit (loss) attributable to owners of parent	6,368	1,848	-4,519

Main factors for change

Increase factor (+) / Decreasing factor (-)

Gross profit

Domestic crude oil and natural gas	- ¥8.1 billion
Overseas consolidated subsidiaries	- ¥6.8 billion
Reduction of consignment revenue	- ¥2.2 billion
Other	+ ¥0.6 billion

Exploration expenses

Reduction of domestic exploration	+ ¥1.5 billion
Reduction of overseas exploration	+ ¥3.6 billion

SG&A expenses

Decrease in selling expenses of JAPEX (Non-consolidated), Cost reduction	+ ¥2.2 billion
Decrease in transportation cost and G&A expenses of JACOS	+ ¥0.5 billion

Other income (expenses)

Foreign currency translation adjustments on debt, foreign exchange gains and losses	
(Previous) Losses ¥5.6 billion	
→(Current) Gains ¥0.6 billion	+ ¥6.2 billion
Share of profit (loss) of entities accounted for using equity method	- ¥3.6 billion

Assumptions of Revised Forecasts for FY3/17

[Assumptions for Crude Oil Prices and Exchange Rate]

			2016				2017	Full year
			Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	
JCC price	US\$/bbl	Previous forecasts		37.17	45.92	45.00	45.00	43.34
		Revised forecasts		37.17	45.92	46.72	50.00	45.09
Exchange rate	JP¥/US\$	Previous forecasts		110.71	105.32	100.00	100.00	103.63
		Revised forecasts		110.71	105.32	103.24	110.00	107.20
JACOS Bitumen	US\$/bbl	Previous forecasts	7.12	16.95	-	-		9.94
		Revised forecasts	7.12	16.95	-	-		9.94
JML Gas	CA\$/mcf	Previous forecasts	1.58	1.36	2.14	1.94		1.74
		Revised forecasts	1.58	1.36	2.20	2.62		1.93

1. "JACOS Bitumen" stated herein bitumen selling price of Japan Canada Oil Sands Ltd. (Deduction of Royalty)
2. "JML Gas" stated herein gas sales price of JAPEX Montney Ltd. (Deduction of Royalty)

Revised Forecasts in FY3/17 (Summary)

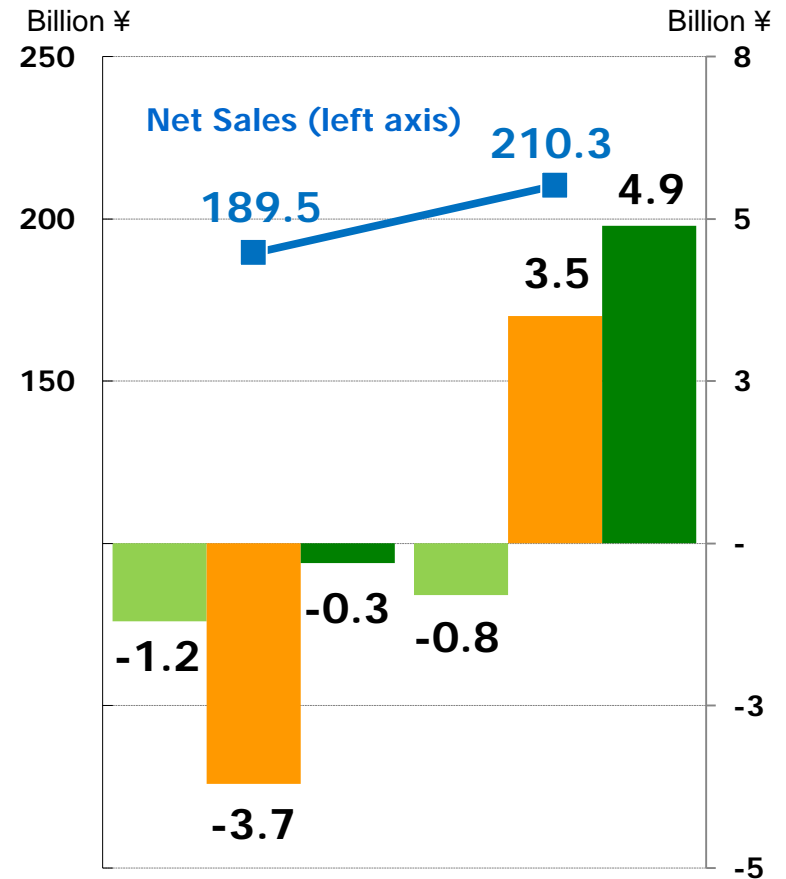
Billion JP¥	Previous forecasts Full (f) Nov.8,2016	Revised forecasts Full (f) Feb.8,2017	Change	Change VS Previous Forecasts%
Net Sales	189.5	210.3	+20.8	+11%
Operating income (loss)	-1.2	-0.8	+0.3	- %
Ordinary income (loss)	-3.7	3.5	+7.2	- %
Profit (loss) attributable to owners of parent	-0.3	4.9	+5.3	- %

Assumptions

JCC price	US\$/bbl	43.34	45.09	+1.75
Bitumen price	US\$/bbl	9.94	9.94	-
Exchange rate	JP¥/US\$	103.63	107.20	+3.57

Quarterly assumptions

	1Q (a)	2Q (a)	3Q(a)	4Q (f)	
JCC price	US\$/bbl	37.17	45.92	46.72	50.00
Bitumen price	US\$/bbl	7.12	16.95	-	-
Exchange rate	JP¥/US\$	110.71	105.32	103.24	110.00



Previous forecasts (f) Nov. 8, 2016 Revised forecasts (f) Feb. 8, 2017

right axis

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

Revised Forecasts Natural Gas Sales in FY3/17 (vs Previous Forecasts)

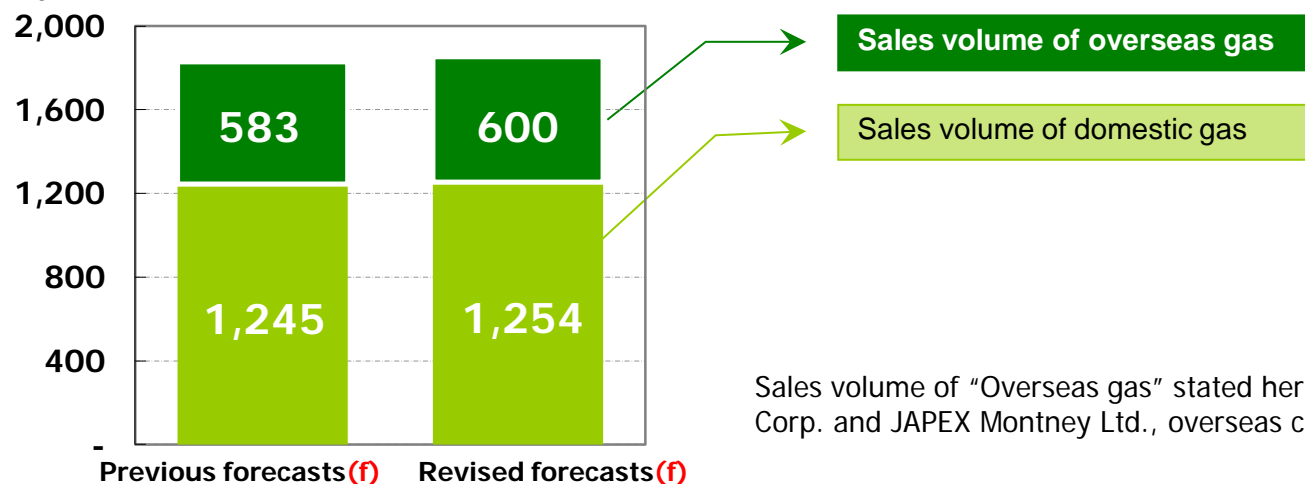
Revised full year forecasts

Sales volume : Million M3 Net sales : Million JP¥		Previous forecasts Full (f) Nov.8, 2016	Revised forecasts Full (f) Feb.8, 2017	Change
Natural gas	Sales volume	1,828	1,854	+26
	Net sales	53,847	54,698	+851

Breakdown

Domestic gas	Sales volume	1,245	1,254	+9
(Domestically produced gas)	Sales volume	(733)	(739)	(+6)
Overseas gas	Sales volume	583	600	+17

Million M3



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

Revised Forecasts Crude Oil Sales in FY3/17 (vs Previous Forecasts)

Revised full year forecasts

Sales volume : Thousand KL Net sales : Million JP¥		Previous forecasts Full (f) Nov.8,2016	Revised forecasts Full (f) Feb.8,2017	Change
Crude Oil	Sales volume	2,852	3,087	+234
	Net sales	75,000	89,824	+14,823

Breakdown

Domestic crude oil *1	Sales volume	302	303	+1
	Net sales	9,309	10,077	+768
Overseas crude oil *2	Sales volume	1,496	1,500	+3
	Net sales	35,543	37,770	+2,227
Bitumen *3	Sales volume	92	92	-
	Net sales	592	683	+91

Assumptions

JCC price	US\$/bbl	43.34	45.09	+1.75
Bitumen price	US\$/bbl	9.94	9.94	-
Exchange rate	JP¥/US\$	103.63	107.20	+3.57

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

*2 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.).

*3 Royalty is excluded in the net sales and price of "Bitumen".

Revised Forecasts for FY3/17 (vs Previous Forecasts)

Million JP¥	Previous forecasts Full (f) Nov.8, 2016	Revised forecasts Full (f) Feb.8, 2017	Change
Net sales	189,528	210,349	+20,821
Gross profit	29,154	30,820	+1,666
Exploration expenses	1,845	1,714	-131
SG&A expenses	28,594	29,992	+1,398
Operating income (loss)	-1,285	-887	+399
Other income (expenses)	-2,439	4,457	+6,897
Ordinary income (loss)	-3,725	3,571	+7,295
Extraordinary income (loss)	97	1,004	+908
Income taxes	584	1,560	+976
Profit (loss) attributable to non-controlling interests	-3,871	-1,943	+1,928
Profit (loss) attributable to owners of parent	-341	4,959	+5,300

Main factors for change

Increase factor (+) / Decreasing factor (-)

Gross profit

Domestic crude oil and natural gas
+ ¥0.7billion
Overseas consolidated subsidiaries
+ ¥0.1billion
Other
+ ¥0.5billion

Other income (expenses)

Foreign currency translation adjustments on debt, foreign exchange gains and losses
(Previous) Losses ¥1.9 billion
→(Current) Gains ¥3.6 billion
+ ¥5.6 billion

Extraordinary income (loss)

Sale of real estate + ¥0.9 billion

Revised Forecasts Natural Gas Sales in FY3/17 (year-on-year)

Revised full year forecasts

Sales volume : Million M3 Net sales : Million JP¥		FY3/16 Full (a)	FY3/17 Revised forecasts (f) Feb.8, 2017			Change (year-on-year)
			1Q-3Q (a)	4Q (f)	Full (f)	
Natural gas	Sales volume	1,780	1,321	533	1,854	+73
	Net sales	68,469	37,170	17,528	54,698	-13,772

Breakdown

Domestic gas	Sales volume	1,275	867	387	1,254	-21
(Domestically produced gas)	Sales volume	(769)	(521)	(218)	(739)	(-30)
Overseas gas	Sales volume	504	453	147	600	+95

Million M3

2,000

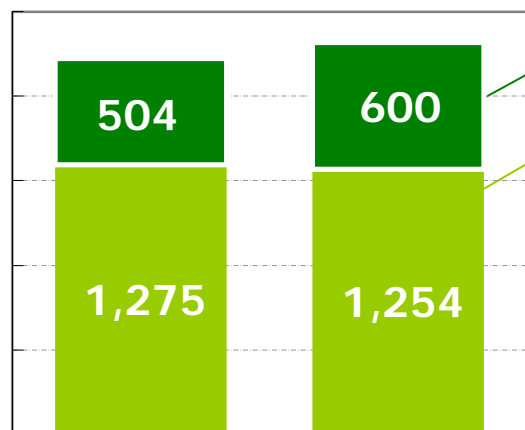
1,600

1,200

800

400

-



Sales volume of overseas gas

Sales volume of domestic gas

Increase in shale gas sales
volume in Canada

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

Revised Forecasts Crude Oil Sales in FY3/17 (year-on-year)

Revised full year forecasts

Sales volume : Thousand KL		FY3/16	FY3/17 Revised Forecasts Full (f) Feb.8,2017			Change (year-on-year)
Net sales : Million JP¥		Full (a)	1Q-3Q (a)	4Q (f)	Full (f)	
Crude oil	Sales volume	3,233	2,320	767	3,087	-147
	Net sales	102,918	63,720	26,104	89,824	-13,095

Breakdown

Domestic crude oil*1	Sales volume	340	224	79	303	-37
	Net sales	13,815	7,166	2,911	10,077	-3,738
Overseas crude oil*2	Sales volume	1,616	1,167	333	1,500	-116
	Net sales	48,384	27,555	10,215	37,770	-10,615
Bitumen*3	Sales volume	306	91	-	92	-215
	Net sales	4,894	594	-	683	-4,212

Assumptions

JCC price	US\$/bbl	51.48	43.35	50.00	45.09	-6.39
Bitumen	US\$/bbl	21.05	9.94	-	9.94	-11.11
Exchange rate	JP¥/US\$	121.06	106.06	110.00	107.20	-13.86

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

*2 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.).

*3 Royalty is excluded in the net sales and price of "Bitumen".

Revised Forecasts for FY3/17 (year-on-year)

Million JP¥	FY3/16 Full (a)	FY3/17 Revised forecasts Full (f) Feb.8, 2017	Change
Net sales	240,302	210,349	-29,954
Gross profit	47,279	30,820	-16,460
Exploration expenses	6,516	1,714	-4,802
SG&A expenses	32,426	29,992	-2,435
Operating income (loss)	8,336	-887	-9,224
Other income (expenses)	-3,684	4,457	+8,142
Ordinary income (loss)	4,652	3,571	-1,081
Extraordinary income (loss)	-3,143	1,004	+4,148
Income taxes	6,388	1,560	-4,829
Profit (loss) attributable to non-controlling interests	-6,970	-1,943	+5,027
Profit (loss) attributable to owners of parent	2,090	4,959	+2,868

Main factors for change

Increase factor (+) / Decreasing factor (-)

Gross profit

Domestic crude oil and natural gas - ¥7.8 billion
 Overseas consolidated subsidiaries - ¥7.4 billion
 Reduction of consignment revenue - ¥2.7 billion
 Other + ¥0.8 billion

Exploration expenses

Reduction of overseas exploration + ¥3.6 billion
 Reduction of domestic exploration + ¥1.1 billion

SG&A expenses

Decrease in selling expenses of JAPEX (Non-consolidated), Cost reduction + ¥3.0 billion

Other income (loss)

Foreign currency translation adjustments on debt, foreign currency exchange gains and losses
 (Previous) Losses ¥8.8 billion
 →(Current) Gains ¥3.6 billion + ¥12.4 billion
 Share of profit (loss) of entities accounted for using equity method - ¥3.4 billion

Extraordinary income (loss)

Decrease in FY3/16 impairment loss + ¥3.0 billion
 Sale of real estate + ¥0.9 billion