



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

Consolidated Financial Results for the Six Months Ended September 30, 2017 <Supplementary material>

November 10 , 2017

Japan Petroleum Exploration Co.,Ltd.

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Note: Abbreviations used herein are as follows:

(a) = Actual results

(f) = Forecasts

FY = Fiscal Year (FY3/18, for instance, means 12 months ending March 31, 2018)

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

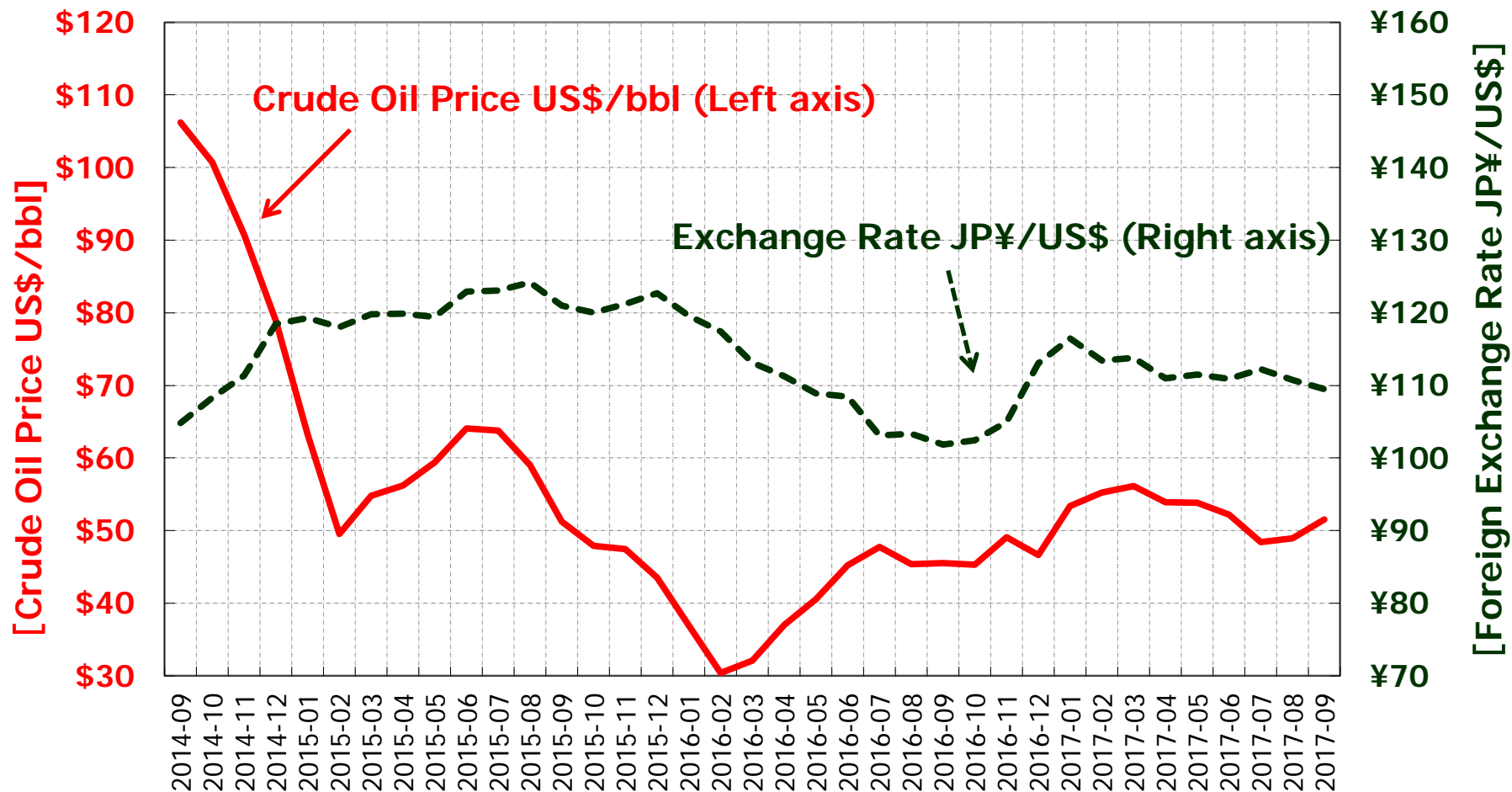
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Trends in Crude Oil Price and Foreign Exchange Rate



Japan Crude Cocktail (JCC) Price in the first 10 days of October 2017 on a prompt report basis: **US\$ 53.83/bbl** **JP¥ 112.07/US\$**

Actual Results for 2Q and Forecasts for FY3/18

<Highlight>

[Billion JP¥]	FY3/17		FY3/18			Change		
	2Q (a) ①	Full (a) ②	2Q (a) ③	Full (f) Previous forecasts (August 8, 2017) ④	Full (f) Revised forecasts (November 10, 2017) ⑤*	2Q (③-①)	Full (⑤-②)	Full (⑤-④)
Net sales	91.4	207.1	112.3	211.0	213.8	+20.8	+6.6	+2.7
Operating income (loss)	-3.2	0.6	3.4	4.4	4.3	+6.6	+3.6	-0.1
Ordinary income (loss)	-2.2	2.2	8.8	-0.9	0.6	+11.1	-1.5	+1.5
Profit (loss) attributable to owners of parent	-1.2	3.4	7.7	1.2	1.7	+9.0	-1.7	+0.5

Assumptions

JCC price (US\$/bbl)	41.64	45.60	52.44	51.27	51.25	+10.80	+5.65	-0.02
Exchange rate (JP¥/US\$)	107.67	108.53	111.79	110.62	110.94	+4.12	+2.41	+0.32

*JAPEX announced the latest forecasts in "Notice of Financial Forecasts Revision" on November 10, 2017, regarding the consolidated financial forecasts of the fiscal year ending March 31, 2018.

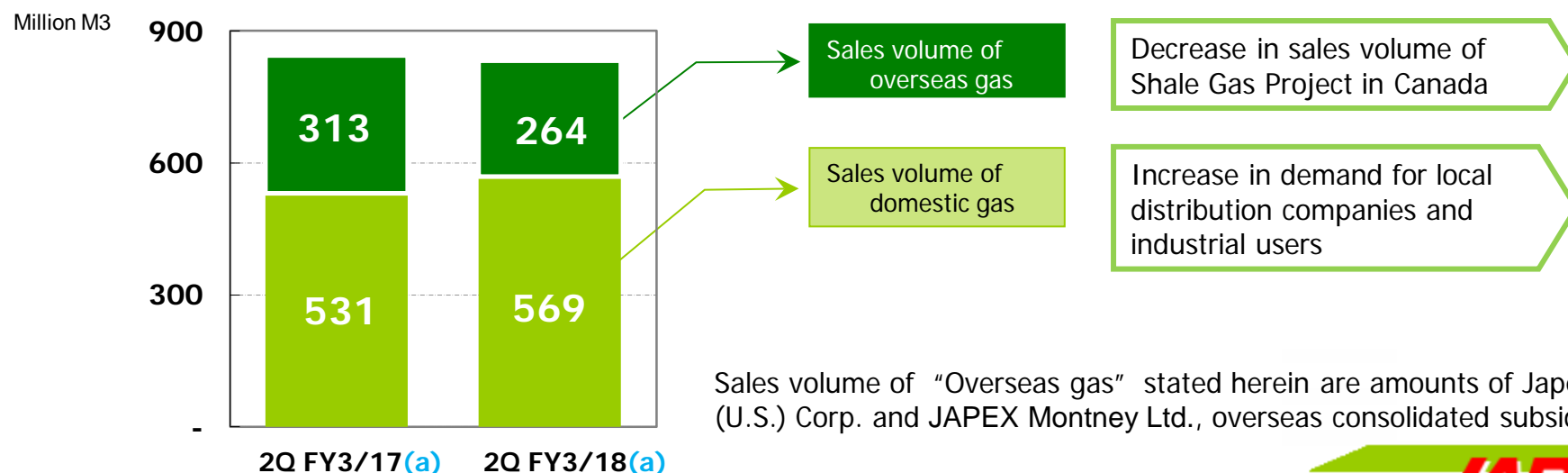
Actual Sales of Natural Gas in 2Q FY3/18 (year-on-year)

Sales volume : Million M3		FY3/17	FY3/18	Change
Net sales : Million JP¥		2Q (a)	2Q (a)	
Natural gas	Sales volume	845	833	-11
	Net sales	23,184	26,839	+3,654

Rising selling price

Breakdown

Domestic gas	Sales volume	531	569	+37
(Domestically produced gas)	Sales volume	<i>(324)</i>	<i>(344)</i>	<i>(+19)</i>
Overseas gas	Sales volume	313	264	-49



Actual Sales of Crude Oil in 2Q FY3/18 (year-on-year)

Sales volume : Thousand KL		FY3/17	FY3/18	Change
Net sales : Million JP¥		2Q(a)	2Q(a)	
Crude Oil	Sales volume	1,715	1,548	-167
	Net sales	43,792	53,086	+9,294

Rising selling price

Breakdown

Domestic crude oil (*)	Sales volume	149	146	-3
	Net sales	4,645	5,713	+1,068
Overseas crude oil (**)	Sales volume	986	809	-176
	Net sales	23,112	25,604	+2,492
Bitumen (***)	Sales volume	91	—	-91
	Net sales	589	—	-589

Decrease in oil sales volume from Garraf Oil Field in Iraq

Bitumen production in the Demonstration area has been suspended from May 2016, decided not to re-start production operations in August 2017

Assumptions

JCC price	US\$/bbl	41.64	52.44	+10.80
Bitumen price (***)	US\$/bbl	9.94	—	-9.94
Exchange rate	JP¥/US\$	107.67	111.79	+4.12

(*) 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

Actual Results for 2Q FY3/18 (year-on-year)

[Million JP¥]	FY3/17 2Q (a)	FY3/18 2Q (a)	Change
Net sales	91,494	112,382	+20,887
Gross profit	11,675	17,884	+6,209
Exploration expenses	645	643	-1
SG&A expenses	14,243	13,788	-455
Operating income (loss)	-3,213	3,452	+6,666
Non-operating income (expenses)	975	5,435	+4,460
Ordinary income (loss)	-2,238	8,888	+11,126
Extraordinary income (loss)	-270	-12	+258
Income taxes	414	1,108	+693
Profit (loss) attributable to non-controlling interests	-1,657	10	+1,668
Profit (loss) attributable to owners of parent	-1,267	7,756	+9,023

Main factors for change
Increase factor (+) / Decrease factor (-)

Gross profit

Domestic crude oil and natural gas
+ ¥2.0 billion
Overseas consolidated subsidiaries
+ ¥3.7 billion

Non-operating income (expenses)

Equity in earnings of affiliates
+ ¥3.2 billion
Foreign currency translation adjustments on debt,
foreign currency exchange gains and losses
(FY3/17) Losses ¥0.4 billion → (FY3/18) Gains ¥0.9 billion
+ ¥ 1.4 billion

Revised Forecasts for FY3/18

[Assumptions]

		2017				2018	Full year	
		Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.		
JCC price	US\$/bbl	Previous forecasts		54.63	50.00	50.00	50.00	51.27
		Revised forecasts		54.63	49.88	50.00	50.00	51.25
Exchange rate	JP¥/US\$	Previous forecasts		112.12	110.00	110.00	110.00	110.62
		Revised forecasts		112.12	111.38	110.00	110.00	110.94
JACOS Bitumen	US\$/bbl	Previous forecasts	-	-	-	-	-	-
		Revised forecasts	-	-	-	-	-	-
JACOS Diluted bitumen	US\$/bbl	Previous forecasts	-	-	32.89	32.83		32.84
		Revised forecasts	-	-	37.46	32.83		33.15
JML Gas	C\$/mcf	Previous forecasts	2.71	2.62	2.23	2.23		2.45
		Revised forecasts	2.71	2.67	1.29	1.94		2.21

1. "JACOS Bitumen" stated herein bitumen selling price of Japan Canada Oil Sands Ltd. (Deduction of Royalty). Decided not to re-start operation at the Demonstration area in August 2017 and not estimated FY3/18 sales.
2. "JACOS Diluted bitumen" stated herein diluted bitumen selling price of Japan Canada Oil Sands Ltd. (Deduction of Royalty). Started production operation at the Hangingstone Joint Venture area in August 2017, and started sales thereafter.
3. "JML Gas" stated herein gas selling price of JAPEX Montney Ltd. (Deduction of Royalty)

Revised Forecasts Natural Gas Sales for FY3/18 (vs Previous Forecasts)

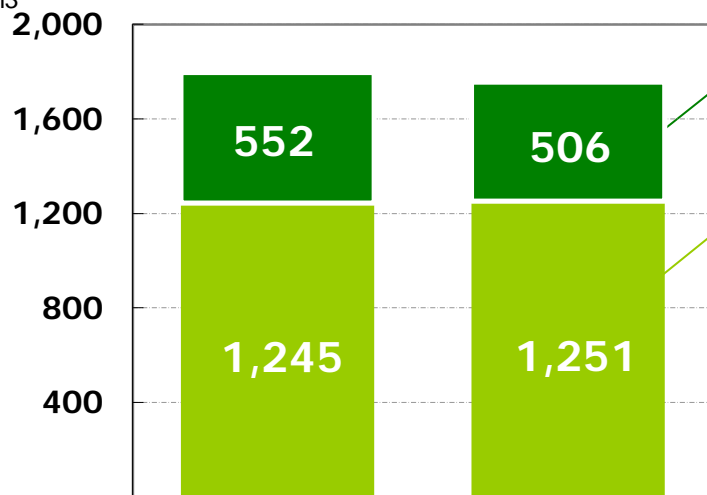
		FY3/18	FY3/18	Change
		Previous forecasts Full (f) August 8, 2017	Revised forecasts Full (f) November 10, 2017	Full
Sales volume : Million M3				
Net sales : Million JP¥				
Natural gas	Sales volume	1,797	1,757	-40
	Net sales	59,128	58,333	-796

Decrease of sales volume,
decline in selling price

Breakdown

Domestic gas	Sales volume	1,245	1,251	+5
(Domestically produced gas)	Sales volume	<i>(722)</i>	<i>(723)</i>	<i>(+2)</i>
Overseas gas	Sales volume	552	506	-46

Million M3



Sales volume of
overseas gas

Decrease in shale gas sales volume
in Canada

Sales volume of
domestic gas

Increase in demand for local
distribution companies and
industrial users

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

Previous forecasts (f)

Revised forecasts (f)

Revised Forecasts Crude Oil Sales for FY3/18 (vs Previous Forecasts)

Revised forecasts

		FY3/18	FY3/18	Change
Sales volume : Thousand KL Net sales : Million JP¥		Previous forecasts Full (f) August 8, 2017	Revised forecasts Full (f) November 10, 2017	Full
Crude Oil	Sales volume	2,654	2,603	-51
	Net sales	86,556	87,104	+548

Increase in sales volume

Breakdown

Domestic crude oil (*)	Sales volume	285	285	—
	Net sales	10,792	10,831	+39
Overseas crude oil (**)	Sales volume	1,160	1,154	-6
	Net sales	35,654	36,790	+1,137
Bitumen (***)	Sales volume	—	—	—
	Net sales	—	—	—
Diluted bitumen (****)	Sales volume	254	210	-44
	Net sales	5,768	4,814	-953

Rising selling price from Garraf Oil Field in Iraq

Decision not to re-start SAGD operation in the Demonstration area

Reduction of sales volume due to revision for the operation plan of the Hangingstone Joint Venture area

Assumptions

JCC price	US\$/bbl	51.27	51.25	-0.02
Bitumen price (***)	US\$/bbl	—	—	—
Diluted bitumen (****)	US\$/bbl	32.84	33.15	+0.31
Exchange rate	JP¥/US\$	110.62	110.94	+0.32

(*) 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 both Bitumen and Diluted bitumen.

Revised Forecasts for FY3/18 (vs Previous Forecasts)

Million JP¥	Previous forecasts Full(f) August 8, 2017	Revised forecasts Full(f) November 10, 2017	Change
Net sales	211,025	213,802	+2,777
Gross profit	35,804	35,391	-414
Exploration expenses	1,329	1,362	+34
SG&A expenses	29,987	29,714	-273
Operating income (loss)	4,489	4,314	-175
Non-operating income	-5,399	-3,661	+1,738
Ordinary income (loss)	-910	654	+1,564
Extraordinary income	-5,564	-5,579	-15
Income taxes	-1,361	-720	+640
Profit (loss) attributable to non-controlling interests	-6,333	-5,941	+391
Profit (loss) attributable to owners of parent	1,219	1,737	+518

Main factors for change
Increase factor (+) / Decrease factor (-)

Gross profit

Domestic crude oil and natural gas
- ¥0.2billion
Overseas consolidated subsidiaries
- ¥0.7billion
Other
+ ¥0.2billion

Non-operating income (loss)

Foreign currency translation
adjustments on debt, foreign
exchange gains and losses
(Previous) Gains ¥0.9billion
→(Current) Gains ¥ 2.0billion
+ ¥1.1billion

Revised Forecasts Natural Gas Sales for FY3/18 (year-on-year)

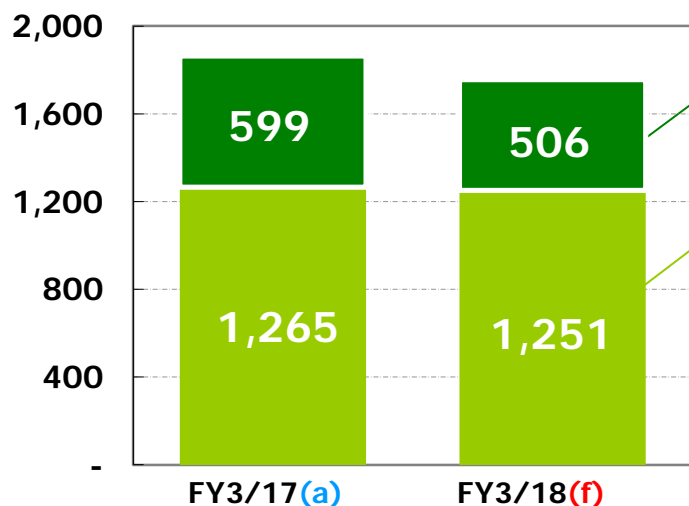
		FY3/17	FY3/18	Change
Sales volume : Million M3				
Net sales : Million JP¥		Full (a)	Revised forecasts Full (f) November 10, 2017	Full
Natural gas	Sales volume	1,864	1,757	-108
	Net sales	55,329	58,333	+3,003

Rising selling price

Breakdown

Domestic gas	Sales volume	1,265	1,251	-15
(Domestically produced gas)	Sales volume	(744)	(723)	(-22)
Overseas gas	Sales volume	599	506	-94

Million M3



Sales volume of overseas gas

Decrease in shale gas sales volume in Canada

Sales volume of domestic gas

Decrease in sales volume

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 for FY3/18 Revised forecasts

(year-on-year)

		FY3/17	FY3/18	Change
Sales volume : Thousand KL				
Net sales : Million JP¥				
		Full (a)	Revised forecasts Full (f) November 10, 2017	Full
Crude Oil	Sales volume	2,762	2,603	-159
	Net sales	82,098	87,104	+5,006

Rising selling price

Breakdown

Domestic crude oil (*)	Sales volume	301	285	-17
	Net sales	10,273	10,831	+558
Overseas crude oil (**)	Sales volume	1,181	1,154	-28
	Net sales	28,653	36,790	+8,137
Bitumen (***)	Sales volume	91	—	-91
	Net sales	669	—	-669
Diluted bitumen (****)	Sales volume	—	210	+210
	Net sales	—	4,814	+4,814

Rising selling price from Garraf Oil Field in Iraq

Decision not to re-start operation of the Demonstration area

Commencement of production operation of the Hangingstone Joint Venture area

Assumptions

JCC price	US\$/bbl	45.60	51.25	+5.65
Bitumen price (***)	US\$/bbl	9.94	—	-9.94
Diluted bitumen (****)	US\$/bbl	—	33.15	+33.15
Exchange rate	JP¥/US\$	108.53	110.94	+2.41

(*) 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 both Bitumen and Diluted bitumen.

Revised Forecasts for FY3/18 (year-on-year)

[Million JP¥]	FY3/17	FY3/18	Change
	Full (a)	Revised forecasts Full (f) November 10, 2017	
Net sales	207,130	213,802	+6,671
Gross profit	32,172	35,391	+3,218
Exploration expenses	1,512	1,362	-150
SG&A expenses	29,975	29,714	-261
Operating income (loss)	685	4,314	+3,629
Non-operating income (expenses)	1,537	-3,661	-5,198
Ordinary income (loss)	2,222	654	-1,569
Extraordinary income (loss)	970	-5,579	-6,549
Income taxes	1,642	-720	-2,363
Profit (loss) attributable to non-controlling interests	-1,892	-5,941	-4,049
Profit (loss) attributable to owners of parent	3,443	1,737	-1,707

Main factors for change
Increase factor(+) / Decrease factor (-)

Gross profit

Domestic crude oil and natural gas + ¥0.3 billion
Overseas consolidated subsidiaries + ¥3.5 billion
Other - ¥1.0 billion

Non-operating income (expenses)

Equity in earnings of affiliates + ¥4.3 billion
(Breakdown: Not proceeding LNG project in Canada - ¥3.2 billion)
Foreign currency translation adjustments on debt, foreign currency exchange gains and losses (FY3/17)Gains ¥3.4 billion→(FY3/18)Gains ¥2.0 billion - ¥1.3 billion
Not to re-start production operation in the Demonstration area - ¥7.7 billion

Extraordinary income (loss)

Not proceeding LNG Project in Canada - ¥5.3 billion
Decrease in FY3/17 gains on sales of real estate - ¥1.2 billion

Income taxes adjustments

Tax effect accounting regarding the Demonstration area + ¥1.9 billion

Assumptions and Impact on Profits [3Q-4Q]

		FY3/17	FY3/18				
		Full(a)	1Q(a)	2Q(a)	3Q(f)	4Q(f)	Full(f)
JCC price	US\$/bbl	45.60	54.63	49.88	50.00	50.00	51.25
Exchange rate	JP¥/US\$	108.53	112.12	111.38	110.00	110.00	110.94
Canadian gas	C\$/mcf	1.95	2.71	2.67	1.29	1.94	2.21

Assumptions	JCC price (3Q-4Q)	Exchange rate (3Q-4Q)	Canadian gas (4Q)
	US\$ 50.00/bbl	110.00 JP¥/US\$	C\$ 2.21/mcf JP¥ 88/C\$

Impact on Profit	US\$ 1/bbl increase in JCC prices would push profits up by...	A weakening in JP¥ 1/US\$ exchange rates would push profits up by...	C\$ 1/mcf increase in Canadian gas prices would push profits up by...
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Operating income	JP¥ 190million	JP¥ 60million	JP¥ 410million
Profit (loss) attributable to owners of parent	JP¥ 130million	-JP¥ 20million	JP¥ 160million

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.