



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

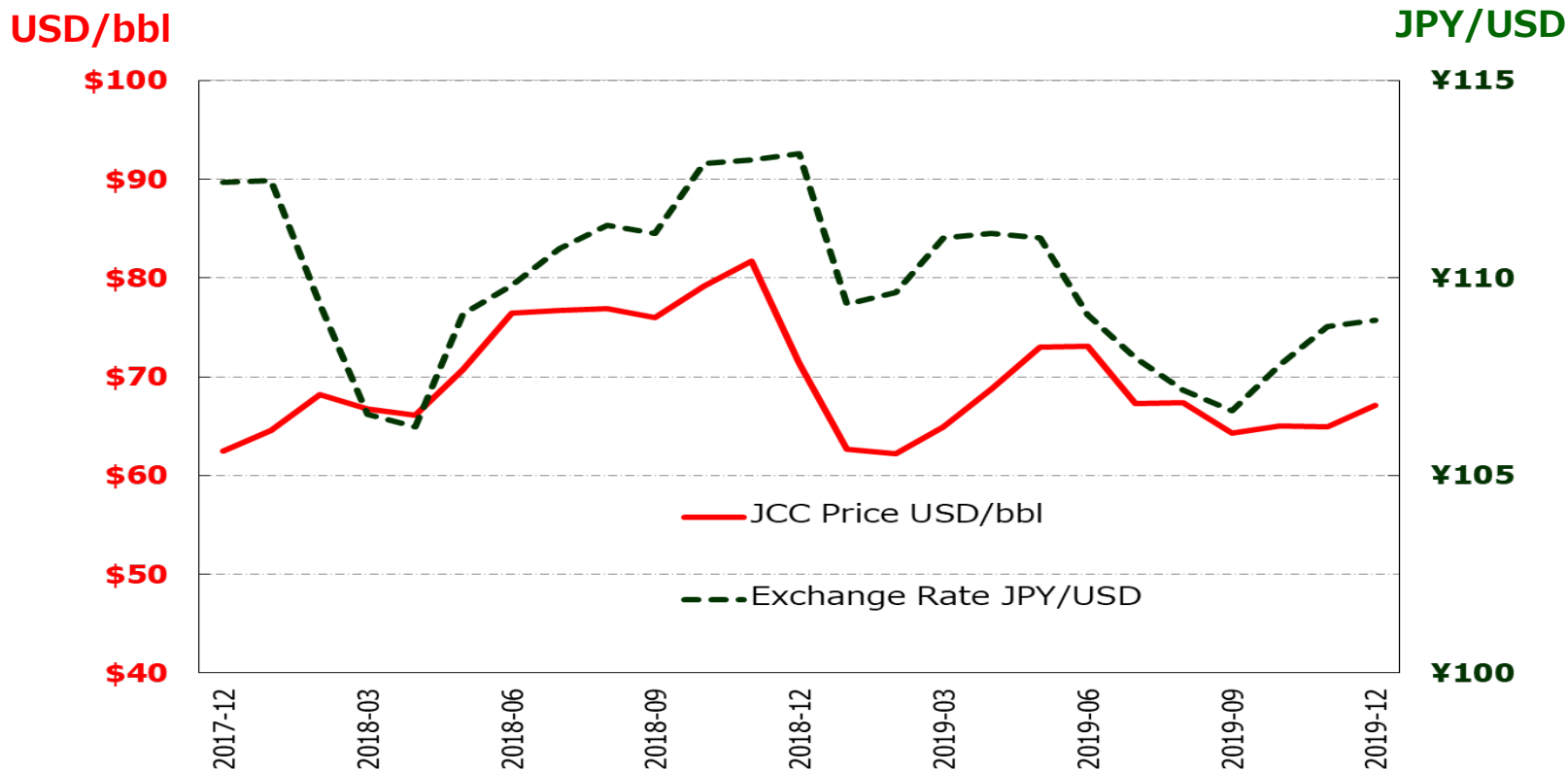
Financial Results

for the Nine Months Ended December 31, 2019

February 10, 2020

Japan Petroleum Exploration Co., Ltd.

Trends in Crude Oil Price and Foreign Exchange Rate



	JCC Price (USD/bbl)	Exchange Rate (JPY/USD)
1-3Q FY3/20 (a)	67.62	109.10
First 10 days of Jan. 2020 (flash)	69.13	109.46
4Q FY3/20 (f)	65.00	108.00

Financial Highlights : 1-3Q Results and Full Year Forecasts

Billion Yen	FY3/19		FY3/20			Change		
	1-3Q (a) ①	Full year (a) ②	1-3Q (a) ③	Full year ^(f) previous forecasts (Nov.8, 2019) ④	Full year ^(f) Revised forecasts (Feb.10, 2020) ⑤*	1-3Q (③-①)	Full year (⑤-②)	Full year (⑤-④)
Net sales	207.4	267.9	247.8	318.3	325.7	+40.3	+57.7	+7.4
Operating profit	1.0	2.3	11.5	11.7	14.1	+10.4	+11.7	+2.3
Ordinary profit	12.2	12.5	19.8	21.8	27.8	+7.5	+15.3	+5.9
Profit attributable to owners of parent	11.4	14.7	16.5	18.8	23.4	+5.1	+8.7	+4.6

Oil price and exchange rate assumptions

JCC (USD/bbl)	74.54	71.94	67.62	67.07	66.96	-6.92	-4.98	-0.11
Exchange rate (JPY/USD)	110.25	110.35	109.10	108.44	108.83	-1.15	-1.52	+0.39

*JAPEX announced the latest forecasts by "Notice of Financial Forecasts Revision" on February 10, 2020, regarding the consolidated financial forecasts of the fiscal year ending March 31, 2020.

Natural Gas Sales for 1-3Q FY3/20 (Year-on-Year)

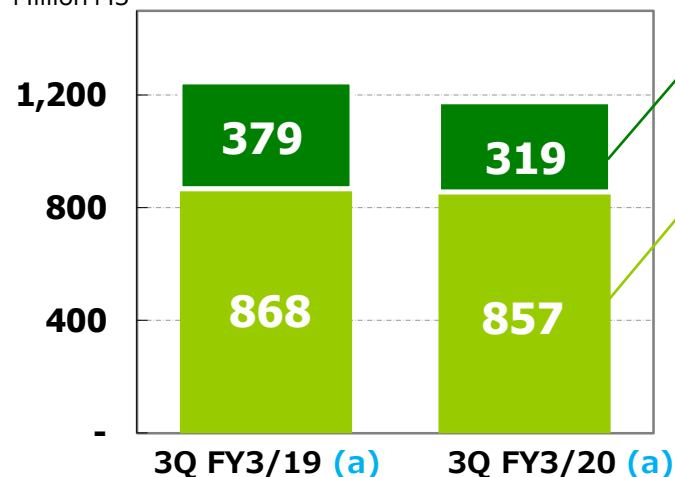
Sales volume : Million M3 Net sales : Million Yen		FY3/19 1-3Q (a)	FY3/20 1-3Q (a)	Change
Natural gas	Sales volume	1,248	1,176	-71
	Net sales	45,667	45,870	+203

Increase in sales price in Japan

Sales volume by region

Japan	Sales volume	868	857	-11
<i>(Gas produced in Japan)</i>	<i>Sales volume</i>	450	419	-30
Overseas	Sales volume	379	319	-59

Million M3



Sales volume of overseas gas

Decrease in shale gas sales volume in Canada

Sales volume of gas in Japan

Sales volume in "Overseas" which are volume of 2 overseas subsidiaries (Japex (U.S.) Corp. and JAPEX Montney Ltd.,).

Crude Oil Sales for 1-3Q FY3/20 (Year-on-Year)

Sales volume : Thousand KL Net sales : Million Yen		FY3/19 1-3Q(a)	FY3/20 1-3Q(a)	Change
Crude Oil	Sales volume	2,502	3,613	+1,111
	Net sales	106,214	143,723	+37,508

Growth in sales volume of overseas crude oil and diluted bitumen

Equity oil sales

Crude oil produced in Japan ^{*1}	Sales volume	190	225	+34
	Net sales	10,350	10,992	+642
Crude oil produced in overseas ^{*2}	Sales volume	356	944	+588
	Net sales	15,941	43,189	+27,248
Diluted bitumen ^{*3}	Sales volume	925	1,290	+365
	Net sales	26,198	35,674	+9,475

Growth in crude oil sales volume of Garraf Oil Field, Iraq

Growth in bitumen production volume of the Hangingstone Lease, Canada

Sales price and exchange rate

JCC	USD/bbl	74.54	67.62	-6.92
Diluted bitumen ^{*3}	USD/bbl	39.63	40.72	+1.09
Exchange rate	JPY/USD	110.25	109.10	-1.15

*1 Sales volume and net sales of "Crude oil produced in Japan" which do not include purchased crude oil.

*2 Sales volume and net sales of "Crude oil produced in overseas" which are volume 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 diluted bitumen.

1-3Q FY3/20 Results (Year-on-Year)

Million Yen	FY3/19 1-3Q (a)	FY3/20 1-3Q (a)	Change
Net sales	207,425	247,819	+40,393
Gross profit	25,445	35,157	+9,712
Exploration expenses	617	716	+99
SG&A expenses	23,787	22,907	-879
Operating profit	1,040	11,533	+10,492
Non-operating income	11,235	8,316	-2,918
Ordinary income	12,275	19,849	+7,574
Extraordinary income (loss)	605	-163	-768
Income taxes	2,000	3,105	+1,105
Profit (loss) attributable to non-controlling interests	-522	24	+546
Profit attributable to owners of parent	11,402	16,556	+5,153

Main factors for change
Increase factor “+” / Decrease factor “()”

Gross profit

Domestic business	+¥ 1.6 bn.
Overseas business	+¥ 8.0 bn.

Non-operating income

Equity on earnings	(¥2.1 bn.)
Foreign currency translation adjustments on debt, foreign exchange gains and losses	(FY3/19) Loss of ¥1.2 bn. → (FY3/20) Gains of ¥0.8 bn. +¥2.0 bn.
(FY3/19)Gains of ARO cancellation due to selling interests of the Hangingstone lease	(¥3.3bn.)

Price Assumptions for FY3/20 Forecasts

2019				2020	Full year
Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	

WTI	USD/bbl	Nov. 8	54.90	59.90	56.50	56.40		57.00
		Feb.10	54.90	59.90	56.50	57.00		57.10
JCC	USD/bbl	Nov. 8		68.77	69.55	65.00	65.00	67.07
		Feb.10		68.77	69.55	64.72	65.00	66.96
Exchange rate	JPY/USD	Nov. 8		111.11	108.26	107.00	107.00	108.44
		Feb.10		111.11	108.26	107.71	108.00	108.83

JACOS Diluted bitumen ^{*1}	USD/bbl	Nov. 8	37.98	44.20	39.94	34.42		39.29
		Feb.10	37.98	44.20	39.83	36.66		39.86
JML Natural gas ^{*2}	CAD/mcf	Nov. 8	2.28	1.33	1.57	1.75		1.74
		Feb.10	2.28	1.33	1.41	2.00		1.76

1. "JACOS Diluted bitumen" stated herein is the diluted bitumen sales price of Japan Canada Oil Sands Ltd. (Excl. Royalty).
2. "JML Natural Gas" stated herein is the gas sales price of JAPEX Montney Ltd. (Excl. Royalty).

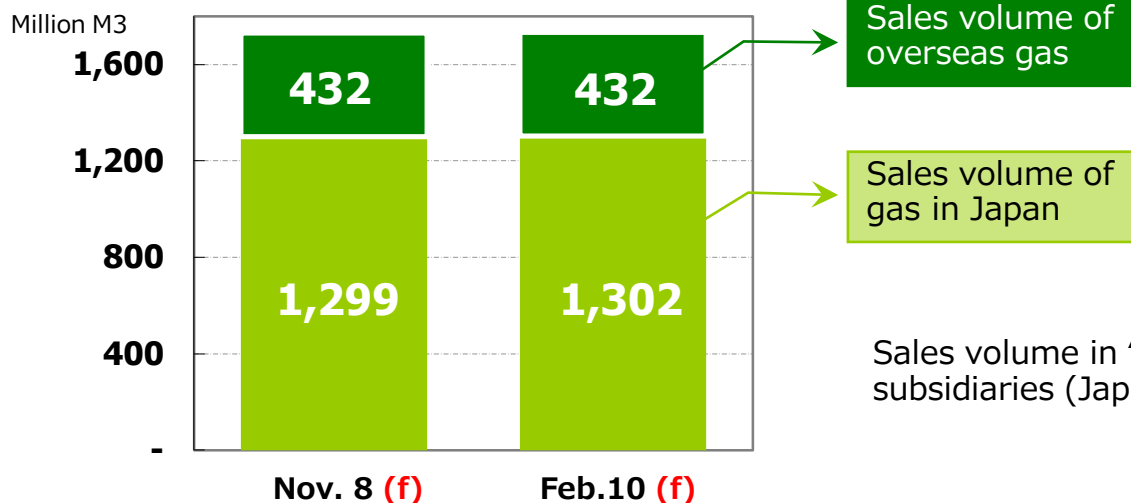
Natural Gas Sales Forecasts for FY3/20 (vs Nov. 8 Forecasts)

Sales volume : Million M3 Net sales : Million Yen		FY3/20 Previous (f) Nov. 8, 2019	FY3/20 Revised (f) Feb. 10, 2020	Change
Natural gas	Sales volume	1,731	1,734	+3
	Net sales	69,173	68,761	-412

Decrease in sales price in Japan

Sales volume by region

Japan	Sales volume	1,299	1,302	+4
(Gas produced in Japan)	Sales volume	569	588	+19
Overseas	Sales volume	432	432	-1



Sales volume in "Overseas" which are volume of 2 overseas subsidiaries (Japex (U.S.) Corp. and JAPEX Montney Ltd.,).

Crude Oil Sales Forecasts for FY3/20 (vs Nov. 8 Forecasts)

Sales volume : Thousand KL Net sales : Million Yen		FY3/20 Previous (f) Nov. 8, 2019	FY3/20 Revised (f) Feb. 10, 2020	Change
Crude Oil	Sales volume	4,536	4,558	+23
	Net sales	173,367	179,593	+6,226

Growth in sales volume of purchased crude oil

Equity oil sales

Crude oil produced in Japan*1	Sales volume	291	299	+9
	Net sales	13,904	14,400	+496
Crude oil produced in overseas*2	Sales volume	1,185	1,118	-67
	Net sales	51,453	50,500	-953
Diluted bitumen*3	Sales volume	1,672	1,639	-33
	Net sales	44,191	45,031	+840

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

Increase in bitumen sales price of the Hangingstone Lease, Canada

Oil price and exchange rate assumptions

JCC	USD/bbl	67.07	66.96	-0.11
Diluted bitumen*3	USD/bbl	39.29	39.86	+0.57
Exchange rate	JPY/USD	108.44	108.83	+0.39

*1 Sales volume and net sales of "Crude oil produced in Japan" which do not include purchased crude oil.

*2 Sales volume and net sales of "Crude oil produced in overseas" which are volume 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 diluted bitumen.

FY3/20 Forecast (vs Nov. 8 Forecasts)

Million Yen	FY3/20 Previous (f) Nov. 8, 2019	FY3/20 Revised (f) Feb. 10, 2020	Change
Net sales	318,351	325,763	+7,413
Gross profit	43,912	46,251	+2,339
Exploration expenses	969	937	-32
SG&A expenses	31,208	31,205	-3
Operating profit	11,735	14,109	+2,373
Non-operating income	10,163	13,750	+3,587
Ordinary profit	21,898	27,859	+5,961
Extraordinary income (losses)	-111	-207	-97
Income taxes	3,415	3,928	+512
Profit (loss) attributable to non-controlling interests	-447	230	+678
Profit attributable to owners of parent	18,820	23,493	+4,674

Main factors for change
Increase factor “+” / Decrease factor “()”

Gross profit

Domestic business	+¥1.3 bn.
Overseas business	+¥1.0 bn.

Non-operating income

Equity on earnings	+¥ 1.2 bn.
Foreign currency translation adjustments on debt, foreign currency exchange gains and losses	+¥ 2.3 bn.

Natural Gas Sales Forecasts for FY3/20 (Year-on-Year)

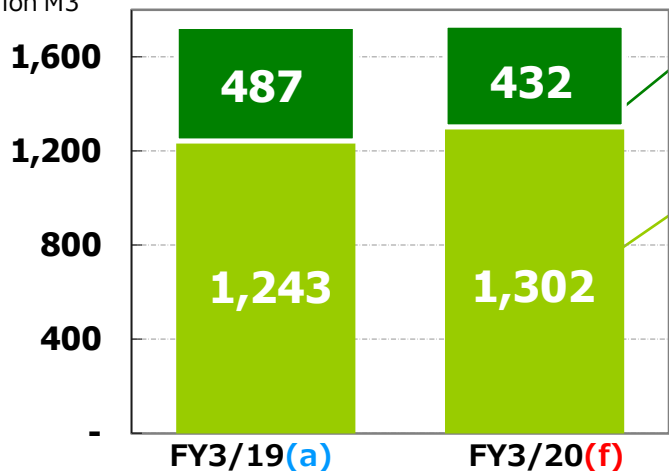
Sales volume : Million M3 Net sales : Million Yen		FY3/19(a)	FY3/20 Revised (f) Feb. 10, 2020	Change
Natural gas	Sales volume	1,731	1,734	+3
	Net sales	67,820	68,761	+940

Growth in sales volume in Japan

Sales volume by region

Japan	Sales volume	1,243	1,302	+59
<i>(Gas produced in Japan)</i>	<i>Sales volume</i>	630	588	-43
Overseas	Sales volume	487	432	-56

Million M3



Sales volume of overseas gas

Decrease in shale gas sales volume in Canada

Sales volume of gas in Japan

Temporary demand for commissioning of the Fukushima Natural Gas Power Plant

Sales volume in "Overseas" which are volume of 2 overseas subsidiaries (Japex (U.S.) Corp. and JAPEX Montney Ltd.,).

Crude Oil Sales Forecasts for FY3/20 (Year-on-Year)

Sales volume : Thousand KL Net sales : Million Yen		FY3/19(a)	FY3/20 Revised (f) Feb. 10, 2020	Change	
Crude Oil	Sales volume	3,064	4,558	+1,494	Growth in sales volume
	Net sales	124,696	179,593	+54,897	

Equity oil sales

Crude oil produced in Japan* ¹	Sales volume	261	299	+38	
	Net sales	13,746	14,400	+653	
Crude oil produced in overseas* ²	Sales volume	366	1,118	+751	Growth in crude oil sales volume of Garraf Oil Field, Iraq
	Net sales	16,599	50,500	+33,901	
Diluted bitumen* ³	Sales volume	1,176	1,639	+463	Growth in bitumen production volume of the Hangingstone Lease, Canada
	Net sales	30,116	45,031	+14,915	

Oil price and exchange rate assumptions

JCC	USD/bbl	71.94	66.96	-4.98
Diluted bitumen* ³	USD/bbl	36.67	39.86	+3.19
Exchange rate	JPY/USD	110.35	108.83	-1.52

*1 Sales volume and net sales of "Crude oil produced in Japan" which do not include purchased crude oil.

*2 Sales volume and net sales of "Crude oil produced in overseas" which are volume 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 diluted bitumen.

FY3/20 Forecast (Year-on-Year)

Million Yen	FY3/19(a)	FY3/20 Revised (f) Feb. 10, 2020	Change
Net sales	267,980	325,763	+57,783
Gross profit	34,846	46,251	+11,404
Exploration expenses	788	937	+148
SG&A expenses	31,743	31,205	-539
Operating profit	2,313	14,109	+11,795
Non-operating income	10,209	13,750	+3,540
Ordinary profit	12,523	27,859	+15,335
Extraordinary income (losses)	550	-207	-758
Income taxes	-1,254	3,928	+5,182
Profit (loss) attributable to non-controlling interests	-441	230	+672
Profit attributable to owners of parent	14,770	23,493	+8,723

Main factors for change

Increase factor "+" / Decrease factor "(")"

Gross profit

Domestic business	(¥0.2 bn.)
Overseas business	+¥11.6 bn.

Non-operating income

- Equity on earnings (¥ 3.2 bn.)
- Dividend income +¥3.1 bn.
- Foreign currency translation adjustments on debt, foreign exchange gains and losses
(FY3/19) Loss of ¥5.2bn. →(FY3/20) Gains of ¥2.4bn.
+¥7.7 bn.
- (FY3/19)Gains of ARO cancellation due to selling interests of the Hangingstone lease (¥3.2bn.)
- Decrease in interest income (¥0.5bn.)
- Increase in interest expenses (¥0.5bn.)

Income taxes

(FY3/19) Increase in tax expense due to absence of one-time factor incurred in precious period (¥2.6bn.)

(FY3/19) Application of foreign tax credit on Garraf Project (¥2.6bn.)

Tax expense of JACOS (¥1.0bn.)

Tax effect of U.K. North Sea Offshore Project +¥1.5bn.

Cautionary Statement

This document contains future prospects such as plans, forecasts, strategies, and others which are not historical fact and these are made by the management's judgement based on the obtainable information at the time of the disclosure. Actual results may significantly differ from those future prospects due to various factors.

This document is not intended to invite investment.

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Note: Abbreviations used herein are as follows:

(a) = Actual results

(f) = Forecasts

FY = Fiscal year (FY3/20, for instance, means 12 months ending March 31, 2020)

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

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