



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

Financial Results

for the Three Months Ended June 30, 2020

August 11, 2020

Japan Petroleum Exploration Co., Ltd.

Financial Highlights : 1Q Results and Full Year Forecasts

Billion Yen	FY20/3		FY21/3			Change		
	1Q (a) ①	Full year (a) ②	1Q (a) ③	Full year ^(f) Initial forecasts (May 14, 2020) ④	Full year ^(f) Revised forecasts (Aug 11, 2020) ⑤*	1Q (③-①)	Full year (⑤-②)	Full year (⑤-④)
Net sales	93.2	318.8	51.0	223.6	219.9	-42.2	-98.8	-3.7
Operating profit (loss)	4.6	14.2	-5.2	-8.2	-7.7	-9.8	-22.0	+0.4
Ordinary profit (loss)	8.9	32.6	-9.5	-2.1	-5.4	-18.4	-38.0	-3.2
Profit (loss) attributable to owners of parent	8.9	26.8	-9.5	-3.1	-6.5	-18.4	-33.3	-3.3

Oil price and exchange rate assumptions

Crude oil price (CIF) (USD/bbl)	68.77	68.11	44.41	40.00	40.80	-24.36	-27.31	+0.80
Exchange rate (JPY/USD)	111.11	109.15	108.04	108.00	108.01	-3.07	-1.14	+0.01

*JAPEX announced the latest forecasts by "Notice of Financial Forecasts Revision" on August 11, 2020, regarding the consolidated financial forecasts of the fiscal year ending March 31, 2021

Financial Results for the Three Months Ended June 30, 2020

E&P Business Sales for 1Q FY3/21 (Year-on-Year)

Net sales : Million Yen		FY20/3 1Q(a)		FY21/3 1Q(a)		Change				
		Sales volume	Net sales	Sales volume	Net sales	Sales volume		Net sales		
E&P Business	-	-	54,133	-	22,904	-	-	①	-31,228	-57%

Breakdown

Crude oil	Thousand KL	891	42,717	687	15,936	-203	-22%	-26,780	-62%	
Crude oil - Japan		79	3,997	60	1,800	-18	-23%	-2,197	-54%	
Crude oil - overseas*1		465	21,737	168	4,393	②	-296 -63%	-17,343	-79%	
Purchased crude oil		346	16,982	458	9,742	+112	+32%	③	-7,239	-42%
Diluted bitumen*2		402	10,689	410	6,258	+8	+2%	④	-4,431	-41%
Natural Gas - Overseas*3	Million M3	108	726	111	709	+2	+2%	-16	-2%	

Comments on main factors for change

- ① Decrease in sales volume and price of crude oil (overseas), and decrease in sales price of purchased crude oil and diluted bitumen
- ② Decrease in sales volume and price of crude oil from Garraf Oil Field in Iraq
- ③ Decrease in sales price
- ④ Decrease in sales price of diluted bitumen from the Hangingstone Lease in Canada

*1 Include the amounts of 3 overseas subsidiaries (Japex Garraf Ltd., JAPEX Montney Ltd. and Japex (U.S.) Corp.)

*2 Royalty is excluded in the net sales and price of diluted bitumen

*3 Include the volume of 2 overseas subsidiaries (JAPEX Montney Ltd., and Japex (U.S.) Corp.)

I/U Business Sales for 1Q FY3/21 (Year-on-Year)

Net sales : Million Yen		FY20/3 1Q(a)		FY21/3 1Q(a)		Change				
		Sales volume	Net sales	Sales volume	Net sales	Sales volume		Net sales		
Infrastructure & Utility Business	-	-	23,171	-	20,997	-	-	①	-2,174	-9%

Breakdown

Natural Gas - Japan	Million M3	267	14,846	248	12,798	②	-18	-6%	-2,048	-13%
- Produced in Japan		137	-	109	-	-28	-20%	-	-	
LNG	Thousand Ton	111	7,501	53	3,597	③	-57	-51%	-3,903	-52%
Electricity	Million kWh	1	40	448	3,493	④	+447	+43,890%	+3,452	+8,445%
Others*1	-	-	783	-	1,108	-	-	-	+324	+41%

Comments on main factors for change

- ① Decrease in LNG sales volume, and decrease in natural gas (Japan) sales price and volume
- ② Decrease in natural gas (Japan) sales price, and decrease in natural gas sales volume mainly owing to the stagnation of the economy caused by COVID-19
- ③ Decrease in sales volume
- ④ Growth in electricity sales volume owing to the start of commercial operation of the Fukushima Natural Gas Power Plant

*1 Include net sales from commissioned regasification of LNG

1Q FY3/21 Results (Year-on-Year)

Million Yen	FY20/3 1Q (a)	FY21/3 1Q (a)	Change	
Net sales	93,252	51,018	-42,233	-45%
Gross profit	12,440	2,399	-10,040	-80%
Exploration expenses	217	206	-10	-4%
SG&A expenses	7,605	7,443	-162	-2%
Operating profit (loss)	4,617	-5,250	-9,867	-%
Non-operating income	4,292	-4,325	-8,617	-%
Ordinary profit (loss)	8,909	-9,575	-18,484	-%
Extraordinary income (loss)	-4	-3	+1	-%
Income taxes	-206	173	+379	-%
Profit (loss) attributable to non-controlling interests	159	-215	-375	-%
Profit (loss) attributable to owners of parent	8,951	-9,536	-18,488	-%

Comments on main factors for change
Increase factor “+” / Decrease factor “()”

Operating profit(loss)

Japan*	(¥4.8 bn.)
Overseas	(¥5.0 bn.)

Non-operating income

Foreign currency translation adjustments on debt (FY3/20) Gains of ¥1.0 bn. → (FY3/21) Loss of ¥5.8 bn.	(¥6.9 bn.)
Dividend income	(¥1.6 bn.)

*Sum of segment profit for Japan and G&A / R&D expenses which are not attributable to any of the segment

Revised Financial Forecasts for the fiscal year ending March 31, 2021

Prerequisite for FY3/21 Forecasts

			2020				2021	Full year
			Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	
WTI	USD/bbl	Initial	46.17	35.00	35.00	35.00	-	37.72
		Revised	46.17*	28.02*	36.70	35.00	-	37.55
Crude oil price (CIF)	USD/bbl	Initial	-	40.00	40.00	40.00	40.00	40.00
		Revised	-	44.41*	40.00	40.00	40.00	40.80
Exchange rate	JPY/USD	Initial	-	108.00	108.00	108.00	108.00	108.00
		Revised	-	108.04*	108.00	108.00	108.00	108.01

Sales Price

JACOS Diluted bitumen**	USD/bbl	Initial	22.45	19.34	20.08	20.04	-	20.52
		Revised	22.30*	11.81	23.26	21.43	-	20.58
JML Natural gas***	CAD/mcf	Initial	2.14	1.80	1.80	1.80	-	1.88
		Revised	2.36*	1.87	1.78	2.05	-	2.01

* Actual

** Diluted bitumen sales price of Japan Canada Oil Sands Ltd. (Excl. Royalty)

*** Natural Gas sales price of JAPEX Montney Ltd. (Excl. Royalty)

E&P Business Sales Forecasts for FY3/21 (vs Initial Forecasts)

Net sales : Million Yen		Initial(f) May 14, 2020		Revised(f) Aug. 11, 2020		Change				
		Sales volume	Net sales	Sales volume	Net sales	Sales volume		Net sales		
E&P Business	-	-	74,618	-	84,380	-	-	①	+9,761	+13%

Breakdown

Crude oil	Thousand KL	1,797	50,666	2,529	63,772	+732	+41%	+13,106	+26%
Crude oil - Japan		318	8,597	320	8,980	+2	+1%	+383	+4%
Crude oil - overseas*1		90	2,406	709	16,859	② +619	+690%	+14,452	+601%
Purchased crude oil		1,390	39,662	1,500	37,933	+111	+8%	-1,729	-4%
Diluted bitumen*2		1,520	21,191	1,273	17,808	③ -247	-16%	-3,383	-16%
Natural Gas - Overseas*3	Million M3	506	2,762	499	2,800	-7	-1%	+38	+1%

Comments on main factors for change

- ① Growth in sales volume of crude oil (overseas)
- ② Growth in sales volume of crude oil from Garraf Oil Field in Iraq owing to resumption of production
- ③ Decrease in sales volume of diluted bitumen from the Hangingstone Lease in Canada owing to the deteriorated market conditions

*1 Include the amounts of 3 overseas subsidiaries (Japex Garraf Ltd., JAPEX Montney Ltd. and Japex (U.S.) Corp.)

*2 Royalty is excluded in the net sales and price of diluted bitumen

*3 Include the volume of 2 overseas subsidiaries (JAPEX Montney Ltd., and Japex (U.S.) Corp.)



I/U Business Sales Forecasts for FY3/21 (vs Initial Forecasts)

Net sales : Million Yen		Initial(f) May 14, 2020		Revised(f) Aug. 11, 2020		Change			
		Sales volume	Net sales	Sales volume	Net sales	Sales volume		Net sales	
Infrastructure & Utility Business	-	-	102,189	-	91,726	-	-	① -10,463	-10%

Breakdown

Natural Gas - Japan	Million M3	1,229	55,458	1,126	49,331	② -103	-8%	-6,128	-11%
- Produced in Japan		514	-	483	-	-31	-6%	-	-
LNG	Thousand Ton	301	18,493	291	15,797	-10	-3%	③ -2,696	-15%
Electricity	Million kWh	2,763	22,835	2,868	22,055	+105	+4%	-780	-3%
Others*1	-	-	5,402	-	4,543	-	-	-859	-16%

Comments on main factors for change

- ① Decrease in natural gas (Japan) sales volume and price, and decrease in LNG sales price
- ② Decrease in natural gas (Japan) sales volume and price mainly owing to the stagnation of the economy caused by COVID-19
- ③ Decrease in sales price

*1 Include net sales from commissioned regasification of LNG

FY3/21 Forecasts (vs Initial Forecasts)

Million Yen	Initial ^(f) May 14, 2020	Revised ^(f) Aug. 11, 2020	Change	
Net sales	223,685	219,923	-3,762	-2%
Gross profit	24,996	23,962	-1,034	-4%
Exploration expenses	988	1,056	+68	+7%
SG&A expenses	32,230	30,670	-1,560	-5%
Operating profit (loss)	-8,222	-7,763	+459	-%
Non-operating income	6,083	2,334	-3,749	-62%
Ordinary profit (loss)	-2,139	-5,429	-3,290	-%
Extraordinary income (loss)	-29	-29	+0	-%
Income taxes	1,853	1,778	-75	-4%
Profit (loss) attributable to non-controlling interests	-828	-719	+109	-%
Profit (loss) attributable to owners of parent	-3,193	-6,517	-3,324	-%

Comments on main factors for change
Increase factor “+” / Decrease factor “()”

Operating profit(loss)

Japan	(¥1.3 bn.)
Overseas	+¥1.8 bn.

Non-operating income

Equity on earnings	+¥0.6 bn.
Foreign currency translation adjustments on debt	(¥3.6 bn.)
Decreased in dividend income	(¥1.2 bn.)
Decreased in interest expenses	+¥1.0 bn.

E&P Business Sales Forecasts for FY3/21 (Year-on-Year)

Net sales : Million Yen		FY20/3(a)		FY21/3 Revised(f)		Change				
		Sales volume	Net sales	Sales volume	Net sales	Sales volume		Net sales		
E&P Business	-	-	175,443	-	84,380	-	-	①	-91,064	-52%

Breakdown

Crude oil	Thousand KL	2,924	128,152	2,529	63,772	-395	-14%	-64,381	-50%	
Crude oil - Japan		304	14,800	320	8,980	+15	+5%	-5,820	-39%	
Crude oil - overseas*1		1,123	45,372	709	16,859	②	-414	-37%	-28,514	-63%
Purchased crude oil		1,496	67,979	1,500	37,933	+4	+0%	③	-30,046	-44%
Diluted bitumen*2		1,639	45,025	1,273	17,808	④	-366	-22%	-27,218	-60%
Natural Gas - Overseas*3	Million M3	431	2,265	499	2,800	+67	+16%	+535	+24%	

Comments on main factors for change

- ① Decrease sales price and volume of crude oil (overseas) and diluted bitumen
- ② Decrease in sales volume and price of crude oil from Garraf Oil Field in Iraq
- ③ Decrease in sales price
- ④ Decrease in sales volume and price of diluted bitumen from the Hangingstone Lease in Canada

*1 Include the amounts of 3 overseas subsidiaries (Japex Garraf Ltd., JAPEX Montney Ltd. and Japex (U.S.) Corp.)

*2 Royalty is excluded in the net sales and price of diluted bitumen

*3 Include the volume of 2 overseas subsidiaries (JAPEX Montney Ltd., and Japex (U.S.) Corp.)

I/U Business Sales Forecasts for FY3/21 (Year-on-Year)

Net sales : Million Yen	FY20/3(a)		FY21/3 Revised(f)		Change		
	Sales volume	Net sales	Sales volume	Net sales	Sales volume	Net sales	
Infrastructure & Utility Business	-	88,688	-	91,726	-	-	① +3,037 +3%

Breakdown

Natural Gas - Japan	Million M3	1,268	64,965	1,126	49,331	②	-143	-11%	-15,635	-24%
- Produced in Japan		582	-	483	-		-100	-17%	-	-
LNG	Thousand Ton	273	19,395	291	15,797		+18	+7%	③ -3,598	-19%
Electricity	Million kWh	110	974	2,868	22,055	④	+2,758	+2,503%	+21,081	+2,164%
Others*1	-	-	3,353	-	4,543		-	-	+1,189	+35%

Comments on main factors for change

- ①Growth in electricity sales volume
- ②Decrease in natural gas (Japan) sales price, and decrease in natural gas sales volume in Japan mainly owing to the stagnation of the economy caused by COVID-19
- ③Decrease in sales price
- ④Growth in electricity sales volume owing to the start of commercial operation of the Fukushima Natural Gas Power Plant

*1 Include net sales from commissioned regasification of LNG

FY3/21 Forecasts (Year-on-Year)

Million Yen	FY3/20(a)	FY3/21 Revised (f)	Change	
Net sales	318,822	219,923	-98,899	-31%
Gross profit	47,042	23,962	-23,080	-49%
Exploration expenses	893	1,056	+162	+18%
SG&A expenses	31,864	30,670	-1,195	-4%
Operating profit (loss)	14,283	-7,763	-22,047	-%
Non-operating income	18,351	2,334	-16,017	-87%
Ordinary profit (loss)	32,635	-5,429	-38,064	-%
Extraordinary income (loss)	-731	-29	+703	-%
Income taxes	4,788	1,778	-3,011	-63%
Profit (loss) attributable to non-controlling interests	299	-719	-1,019	-%
Profit (loss) attributable to owners of parent	26,815	-6,517	-33,332	-%

Comments on main factors for change
Increase factor “+” / Decrease factor “()”

Operating profit(loss)

Japan	(¥5.6 bn.)
Overseas	(¥16.4 bn.)

Non-operating income

Equity on earnings	(¥6.5 bn.)
Foreign currency translation adjustments on debt	
(FY3/20) Gains of ¥2.4 bn. → (FY3/21) Loss of ¥3.6 bn.	
Dividend income	(¥6.0 bn.)
Interest income	(¥2.9 bn.)
	(¥0.7 bn.)

Extraordinary income

(FY3/20) Impairment loss on Amarume Oil Field in Japan	
	+¥0.5 bn.

Sensitivities Analysis on FY3/21 Forecasts Basis (2Q-4Q)

	FY3/21 2Q-4Q Assumptions	Fluctuation	Impacts on profit (Million Yen)		Main factors for change Increase factor "+" / Decrease factor "(")"
			Operating profit	Profit attributable to owners of parent	
Crude oil price	Crude oil price (CIF) USD 40.00/bbl	Increase by 1USD/bbl	240	210	+ Sales of oil and gas (Increase in LNG procurement cost)
	WTI USD 33.24/bbl		161	152	+ Sales of diluted bitumen
Exchange rate	¥108.00/USD	1 weaker yen against USD	90	-10	+ Sales of oil and gas (Increase in LNG procurement cost)
Natural gas price in Canada	CAD 1.91/mcf ¥78.93/CAD	Increase by 1CAD/mcf	-3	12	+ Sales of shale gas in Canada (Increase in operation cost of the Hangingstone lease)

- Changes in equity method investment gain are not included in the above amount.
- 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 various other factors besides crude oil prices and exchange rates.

Appendix

- 1. Net Sales**
- 2. Financial Results**
- 3. Cash Flows and Financial Ratio**
- 4. Main Business and Major Assets**
- 5. Abbreviations**

1. Net Sales - E&P Business

Million Yen	FY3/19(a)	FY3/20(a)		FY3/21(a)	FY3/21(f)	
	Full year	1Q	Full year 1Q-4Q	1Q	Full year	
					May 14	Aug. 11
Sales of E&P business	127,080	54,133	175,443	22,904	74,618	84,380
Sales volume of Crude oil (Thousand KL)	1,888	891	2,924	687	1,797	2,529
Net sales	94,579	42,717	128,152	15,936	50,666	63,772
Sales volume of Crude oil - Japan (Thousand KL)	261	79	304	60	318	320
Net sales	13,746	3,997	14,800	1,800	8,597	8,980
Sales volume of Crude oil - overseas*1 (Thousand KL)	366	465	1,123	168	90	709
Net sales	16,599	21,737	45,372	4,393	2,406	16,859
Sales volume of Purchased crude oil (Thousand KL)	1,260	346	1,496	458	1,390	1,500
Net sales	64,233	16,982	67,979	9,742	39,662	37,933
Sales volume of Diluted bitumen (Thousand KL)	1,176	402	1,639	410	1,520	1,273
Net sales*2	30,116	10,689	45,025	6,258	21,191	17,808
Sales volume of Natural gas -overseas*3 (Million M3)	487	108	431	111	506	499
Net sales	2,384	726	2,265	709	2,762	2,800

Crude oil price (CIF) (USD/bbl)	71.94	68.77	68.11	44.41	40.00	40.80
Exchange rate (JPY/USD)	110.35	111.11	109.15	108.04	108.00	108.01
Diluted bitumen*2 (USD/bbl)	36.67	37.98	39.85	22.30	20.52	20.58
JML natural gas*4 (CAD/mcf)	1.69	2.28	1.77	2.36	1.88	2.01

*1 Include the amounts of 3 overseas subsidiaries (Japex Garraf Ltd., JAPEX Montney Ltd. and Japex (U.S.) Corp.)

*2 Royalty is excluded in the net sales and price of diluted bitumen

*3 Include the volume of 2 overseas subsidiaries (JAPEX Montney Ltd., and Japex (U.S.) Corp.)

*4 Gas sales price of JAPEX Montney Ltd. (Excl. Royalty)



1. Net Sales – I/U Business

Million Yen	FY3/19(a)	FY3/20(a)		FY3/21(a)	FY3/21(f)	
	Full year	1Q	Full year 1Q-4Q	1Q	Full year	
					May 14	Aug. 11
Sales of Infrastructure/Utility business	91,768	23,171	88,689	20,997	102,189	91,726
sales volume of Natural gas – Japan (Million M3)	1,243	267	1,268	248	1,229	1,126
Net sales	65,435	14,846	64,965	12,798	55,458	49,331
Sales volume of natural gas Produced in Japan (Million M3)	630	137	582	109	514	483
Sales volume of LNG (Thousand ton)	322	111	273	53	301	291
Net sales	22,913	7,501	19,395	3,597	18,493	15,797
Sales volume of Electricity (Million kWh)	2	1	110	448	2,763	2,868
Net sales	112	40	974	3,493	22,835	22,055
Others*1	3,306	783	3,353	1,108	5,402	4,543

*1 Include net sales from commissioned regasification of LNG

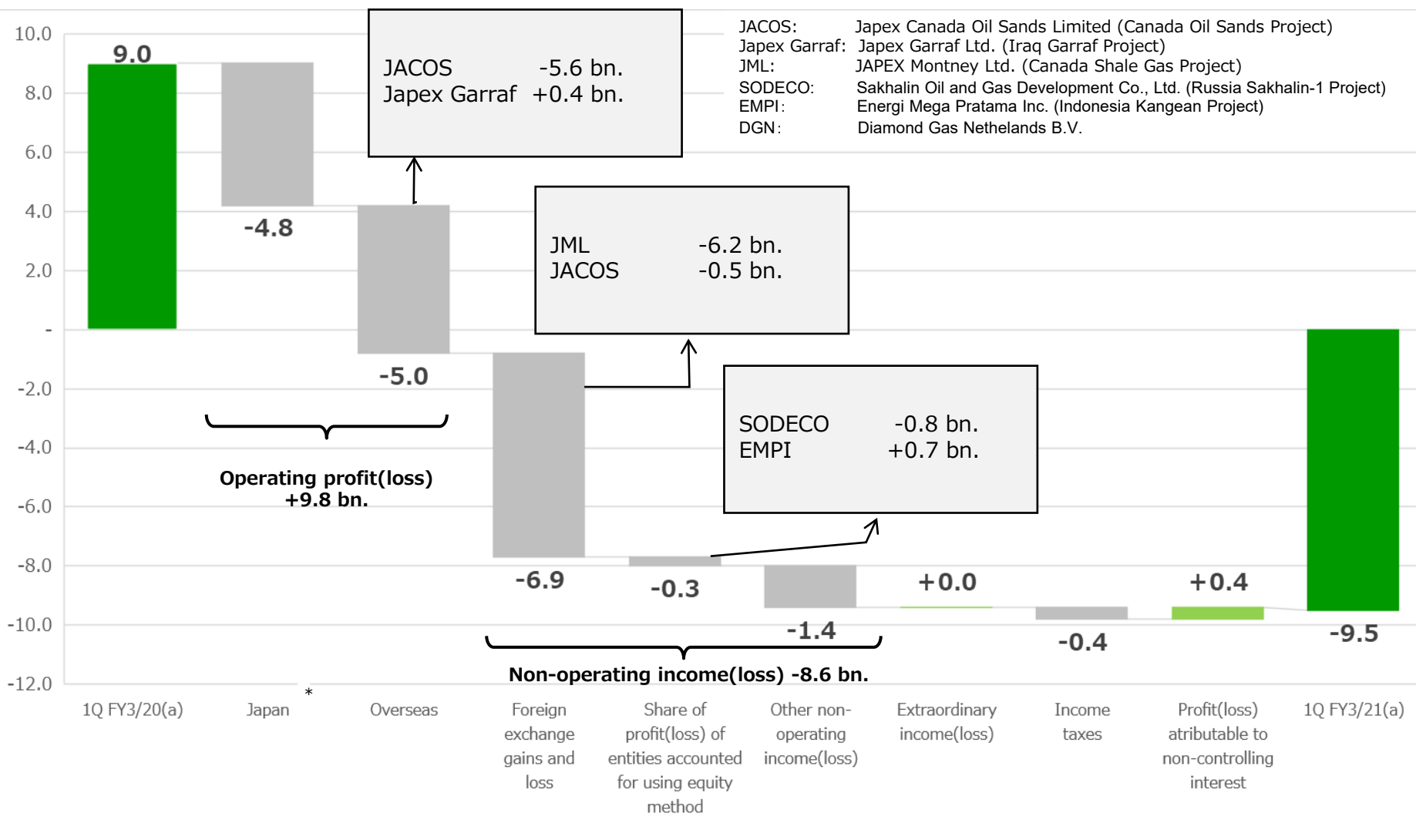
2. Financial Results

	Million Yen	FY3/19(a)		FY3/20(a)		FY3/21(a)		FY3/21(f)	
		Full year	1Q	Full year 1Q-4Q	1Q	Full year			
						May 14	Aug. 11		
Net sales		267,980	93,252	318,822	51,018	223,685	219,923		
E&P business		127,080	54,133	175,443	22,904	74,618	84,380		
Infrastructure/Utility business		91,768	23,171	88,689	20,997	102,189	91,726		
Others		49,131	15,948	54,691	7,116	46,878	43,818		
Cost of sales		233,133	80,812	271,780	48,619	198,689	195,961		
Gross profit		34,846	12,440	47,042	2,399	24,996	23,962		
Exploration expenses		788	217	893	206	988	1,056		
SG&A expenses		31,743	7,605	31,864	7,443	32,230	30,670		
Operating profit (loss)		2,313	4,617	14,283	-5,250	-8,222	-7,763		
Non-operation income		10,209	4,292	18,351	-4,325	6,083	2,334		
Interest income		1,598	307	1,096	216	641	363		
Interest expenses		-4,130	-1,237	-4,641	-972	-3,723	-2,685		
Dividend income		2,102	1,649	5,618	49	3,964	2,709		
Share of profit of entities accounted for using equity method		12,550	2,390	11,960	2,116	4,848	5,444		
Provision for overseas investment		358	85	342	85	342	342		
Foreign exchange gains and loss		-5,296	1,099	2,425	-5,809	-	-3,654		
Other		3,027	-3	1,550	-10	11	-185		
Ordinary profit (loss)		12,523	8,909	32,635	-9,575	-2,139	-5,429		
Extraordinary income (loss)		550	-4	-731	-3	-29	-29		
Profit (loss) before income taxes		13,074	8,905	31,903	-9,578	-2,168	-5,458		
Income taxes		-1,254	-206	4,788	173	1,853	1,778		
Profit (loss) attributable to non-controlling interests		-441	159	299	-215	-828	-719		
Profit (loss) attributable to owners of parent		14,770	8,951	26,815	-9,536	-3,193	-6,517		



2. Analysis of 1Q FY3/21 Net Income Result (Year-on-Year)

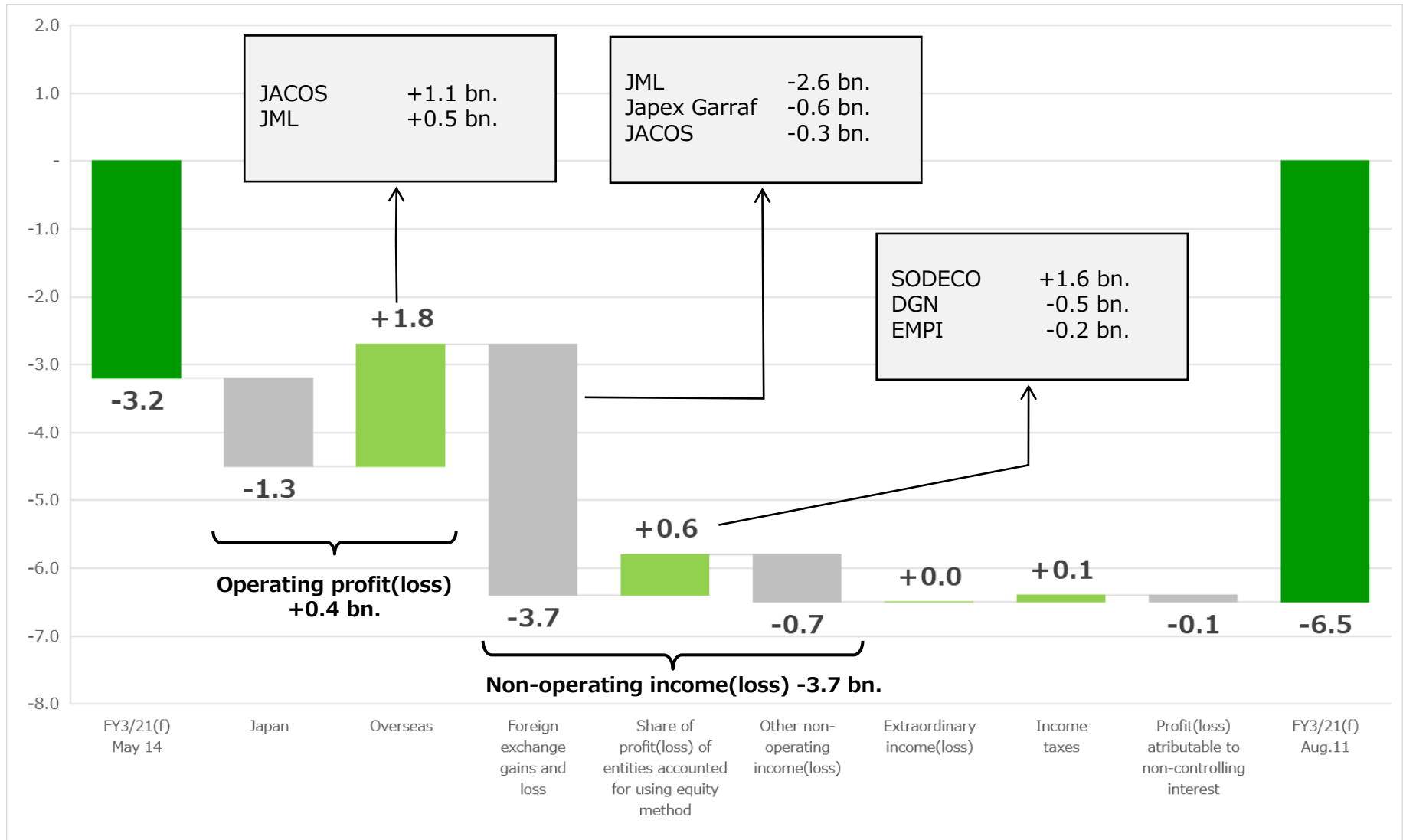
Billion Yen



*Sum of segment profit for Japan and G&A / R&D expenses which are not attributable to any of the segment

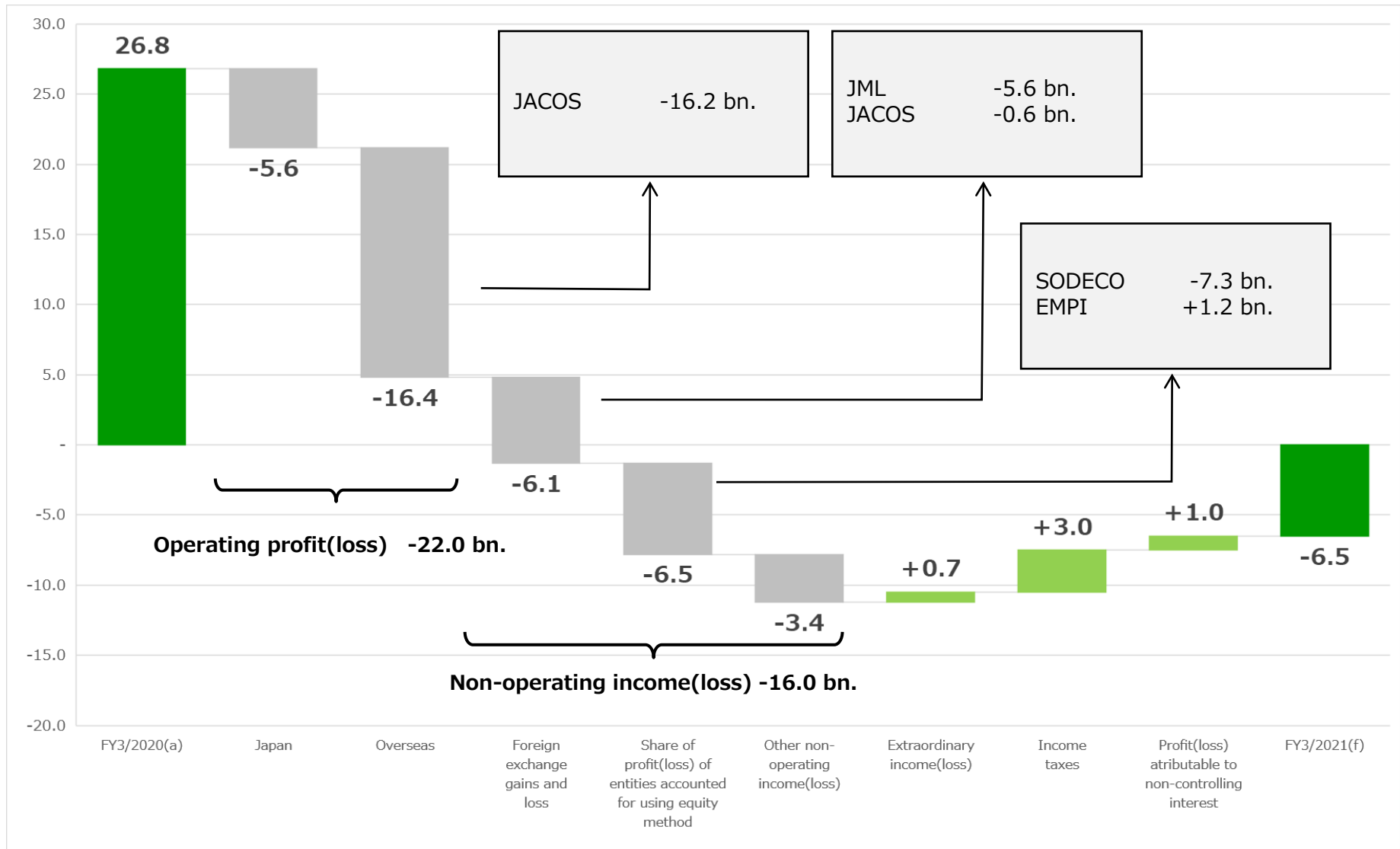
2. Analysis of FY3/21 Net Income Forecasts (vs Initial Forecast)

Billion Yen



2. Analysis of FY3/21 Net Income Forecasts (Year-on-Year)

Billion Yen



2. Segment Profit

Million Yen		FY3/19(a)	FY3/20(a)		FY3/21(a)	FY3/21(f)	
		Full year	1Q	Full year 1Q-4Q	1Q	Full year	
						May 14	Aug.11
Japan	Operating profit	19,308	5,623	18,834	790	15,026	13,218
	Share of profit of entities accounted for using equity method	165	59	152	157	617	362
North America	Operating profit (loss)	-9,751	1,311	3,422	-4,223	-14,006	-12,606
	Share of loss of entities accounted for using equity method	-10	-	-	-	-	-
Europe	Operating loss	-157	-71	-164	-42	-167	-156
	Share of profit (loss) of entities accounted for using equity method	-	-	-	-	-	-
Middle East	Operating profit (loss)	955	-169	612	301	-140	230
	Share of profit (loss) of entities accounted for using equity method	2	-1	-8	-2	-7	-6
Others*1	Operating loss	-7	-1	-1	-	-	-
	Share of profit of entities accounted for using equity method	12,392	2,331	11,816	1,960	4,237	5,087

*1 Include the Sakhalin Oil and Gas Development Co., Ltd., Energi Mega Pratama Inc., etc.

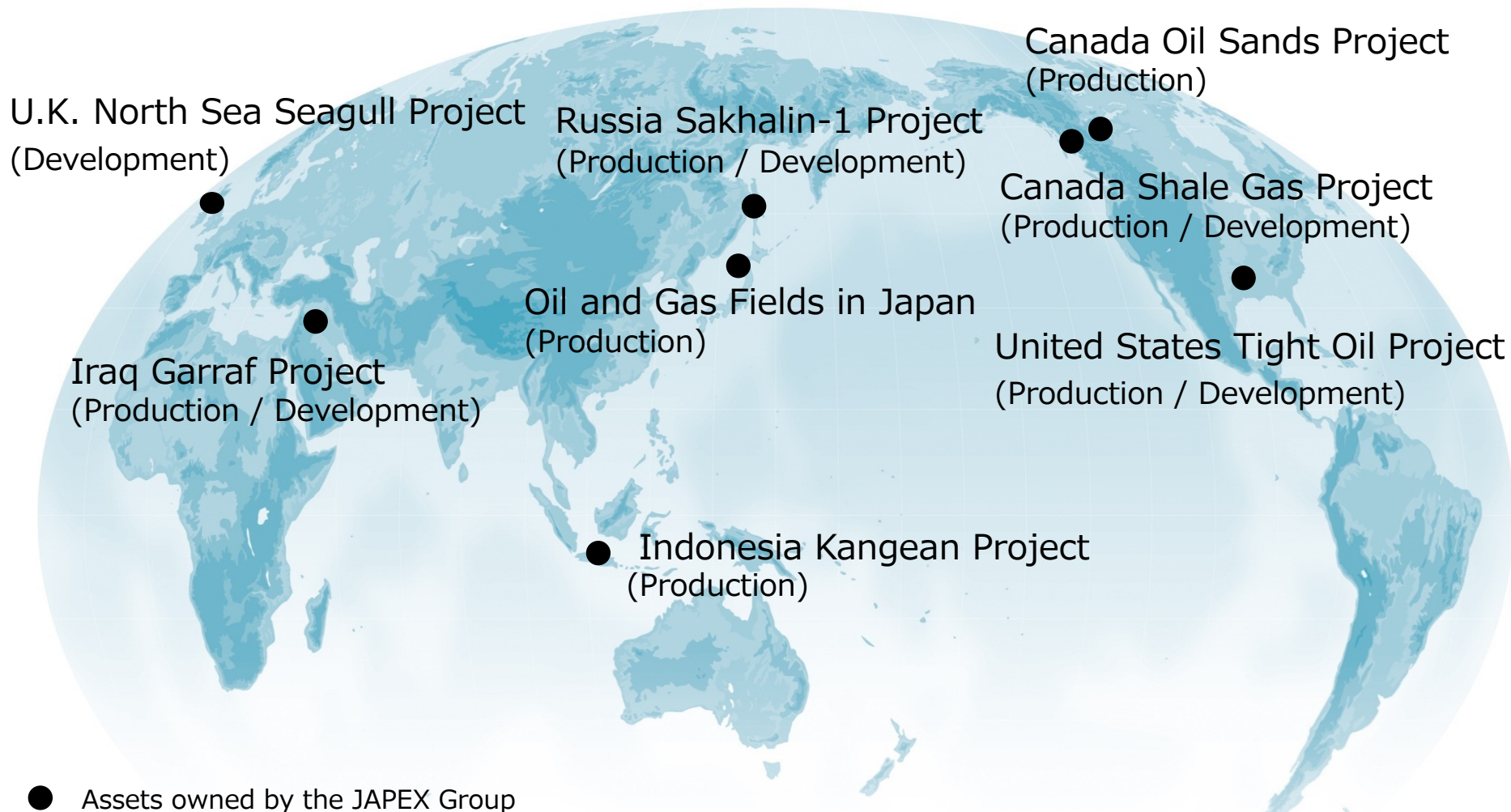
3. Cash Flows and Financial Ratio

Million Yen	FY3/19(a)	FY3/20(a)		FY3/21(f)	
	Full year	1Q-2Q	Full year 1Q-4Q	Full year	
				May 14	Aug.11
Cash flows from operating activities	30,970	37,061	69,895	25,462	27,686
Depreciation	23,296	12,422	25,190	23,951	22,031
Recoverable cost (Recovery)	11,118	26,583	41,040	-	14,154
Cash flows from investing activities	-13,969	-11,353	-18,701	-28,375	-29,213
Purchase of property, plant and equipment	-12,955	-2,464	-7,566	-19,048	-16,250
Recoverable cost (Payments)	-25,107	-13,865	-30,226	-13,379	-16,611
Cash flows from financing activities	-15,493	-8,435	-13,743	-14,160	-13,081
Interest-bearing debt*1	151,726	-	140,848	125,112	125,122
EBITDA*2	41,736	-	58,296	23,875	22,191
Debt-to-EBITDA ratio	3.6	-	2.4	5.2	5.6

*1 Interest-bearing debt includes lease obligations, retirement benefit liabilities and contingent liabilities

*2 EBITDA is the total of operating income, depreciation, interest and dividends received on investment cash flow

4. Business Base - Major Assets in Production & Development



4. Japan - E&P and I/U Business

E&P Business – Oil and Gas Fields in Japan

- Operating 10 oil and gas fields in Japan
 - Promoting compensation of current domestic reserves and maintaining the production volume
 - Pursuing additional E&P potential including national surveys aiming to increase reserves over the mid-long term
- **Additional development of domestic oil and gas field**
- Started production of crude oil from shallow reservoir of Yufutsu Oil and Gas Field in Hokkaido in June 2020

I/U Business - Domestic natural gas supply

- Supply natural gas produced in Japan as well as regasified LNG through Company's supply network with LNG terminals and gas pipelines over 800 km
- Supply LNG in liquid form from our LNG receiving base by various methods such as tank trucks, tankers and coastal vessels
- Started commissioned operations of receiving, storing and regasifying LNG, which is used as fuel for Fukushima Natural Gas Power Plant*1

I/U Business – Electric Power

- Fukushima Natural Gas Power Plant started commercial operation of Unit 1 in April 2020. Commercial operation of Unit 2 is scheduled in summer 2020
 - Investigating development projects and business opportunities regarding renewable energy, centered on offshore wind power and biomass
- **Major renewable energy development projects under consideration**
- (Tentative) Noshiro/Mitane/Oga offshore wind power generation project
 - (Tentative) Akita central sea offshore wind power generation project
 - (Tentative) Yuza offshore wind power generation project

*1 Operating management by Fukushima Gas Power Co., Ltd., which is funded by five private companies including JAPEX as a business partner (JAPEX share 33%)

4. Japan - New Business Development

Development Next-generation Technology

- Promoting toward commercialization of CCS
 - CCS demonstration project in the Tomakomai area of Japan CCS Co., Ltd., in which private companies including JAPEX, is continuing to monitor after the cumulative injection amount of CO₂ has reached 300,000 tons
- Promoting establishment of survey technology for deep-sea mineral resources
 - Participating as a member of "the Research and Development Partnership for Next-Generation Technology of Marine Resources Survey"(J-MARES) in the development and verification project of the rare-earth element sampling and pumping technology for the "Innovative Technology for Exploration of Deep Sea Resource" in the Cross-ministerial Strategic Innovation Promotion Program (SIP) Phase 2 of Cabinet Office
- Promoting establishment methane hydrate development technology
 - Continuing research and development work on resource recovery technology and exploration technology related to sand layer type methane hydrate through Japan Methane Hydrate Operating Co., Ltd.

Constructing a New Business Model

- Promote activities for early realization of LNG bunkering in Japan and overseas
 - The study meeting on LNG bunkering at Tomakomai Port ended in April 2020 and the summary of study results was announced
 - Pursue opportunities for commercialization and business participation centered on our existing activity areas, along with opportunities to replace ships on regular routes
- Continuing promotion of investigations and studies for expansion of various LNG transportation methods in overseas

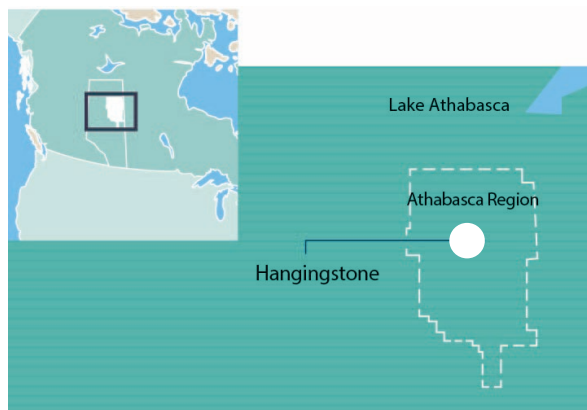
Identifying Unique Business Seeds

- Continuing a study to build a value chain for Sustainable Aviation Fuel (SAF) with used cooking oil as a raw material
- Soliciting business ideas from across the Company and regularly examine of ideas brought in by other companies and review progress

4. North America - E&P Business

Canada Oil Sands Project

Project company	Canada Oil Sands Co., Ltd. (CANOS) JAPEX's share 94.58% Overseas subsidiary : Japan Canada Oil Sands Ltd. (JACOS)
Block	Hangingsone Leases (Operator)
Interest	75% (JAPEX net 70.935%)
Status	Production Continuing flexible operation in line with market conditions with 20,000bbl/d level bitumen production
Gross production rate	23,000bbl/d as average of Jan.-Mar. 2020



Canada Shale Gas Project

Project company	JAPEX Montney Ltd. (JML) JAPEX's share 55%
Block	North Montney Area
Interest	10% (JAPEX net 5.5%)
Status	Production/Development Executing the development plan prioritizing the area with high economics. Working on to maximize the value and economics of the project.
Operator	Petronas Energy Canada Ltd.
Gross production rate	12,250,000M ³ /d, Approx. 72,000boe/d as average of Jan.-Mar. 2020



4. Europe/Middle East - E&P Business

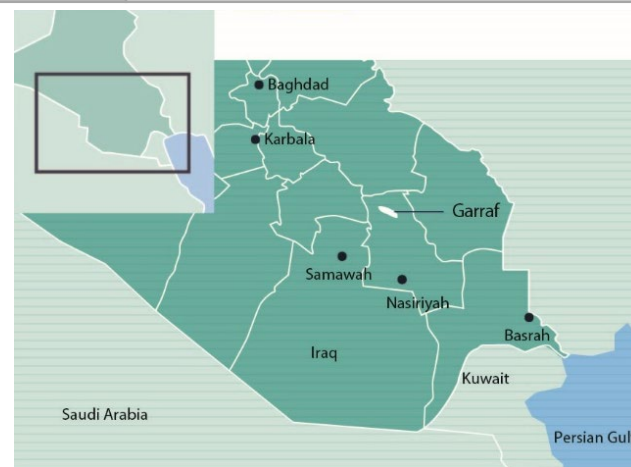
U.K. North Sea Seagull Project

Project company	JAPEX UK E&P Ltd. JAPEX's share 100%
Block	Seagull Field
Interest	15% (JAPEX Net 15%)
Status	Development Development work in progress to commencement production in 2021(Timing of achievement is unforeseeable under the Covid-19 pandemic situation)
Operator	Neptune E&P UK Limited



Iraq Garraf Project

Project company	Japex Garraf Ltd. JAPEX's share 55%
Field	Garraf Oil Field
Project share	30% (JAPEX Net 16.5%)
Status	Production* and Development toward Plateau production target of 230,000 bbl/d** * Resumed production from mid-July after suspension of operations since mid-March 2020 **Timing of achievement of the Plateau Production Target is unforeseeable under the Covid-19 pandemic situation
Operator	PETRONAS Carigali Iraq Holding B.V. (PCIHBV)
Gross production rate	Approx. 50,000bbl/d as average at the time of resuming production



4. Other Areas - E&P Business

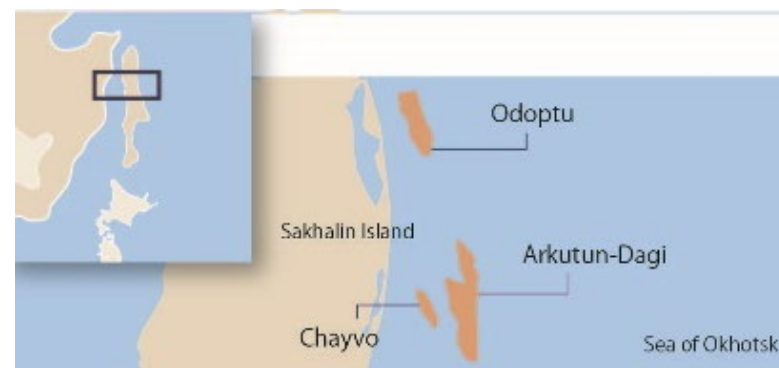
Indonesia Kangean Project

Project company	Energi Mega Pratama Inc. JAPEX's share 25% 2 other affiliates
Block	Kangean Block
Interest	100% (JAPEX net 25%)
Status	Production
Operator	Kangean Energy Indonesia Ltd.
Gross production rate	5,550,000M ³ /d Approx. 34,000boe/d as average of Jan.- Mar. 2020



Russia Sakhalin-1 Project

Project company	Sakhalin Oil and Gas Development Co., Ltd. (SODECO) JAPEX's share 15.29%
Block	Chayvo, Odoptu and Arkutun-Dagi Fields
Interest	30% (JAPEX net 4.59%)
Status	Development/ Production
Operator	Exxon Neftegas Ltd.



5. Abbreviations

BOE(D)	Barrels of Oil Equivalent (per Day)
CCS	Carbon dioxide Capture and Storage
CCUS	Carbon dioxide Capture, Utilization and Storage
CIF	Cost, Insurance and Freight
E&P	Exploration and Production
FID	Final Investment Decision
GHG	Greenhouse Gas
HSE	Health, Safety and Environment
IOR (EOR)	Improved (Enhanced) Oil Recovery
I/U	Infrastructure/Utility
JCC	Japan Crude Cocktail
LNG	Liquefied Natural Gas
MH	Methane Hydrate
P/L	Pipeline
ROE	Return on Equity
RRR	Reserve Replacement Ratio
SAF	Sustainable Aviation Fuel
SODECO	Sakhalin Oil & Gas Development Co., Ltd.
TSB	Terang, Sirasun, Batur
WCS	Western Canadian Select
WTI	West Texas Intermediate

Cautionary Statement

This document contains future outlooks 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 outlooks 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 (FY3/21, for instance, means 12 months ending March 31, 2021)

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