

Consolidated Financial Results for the Fiscal Year Ended March 31, 2021 <under Japanese GAAP>

May 13, 2021

Note: The following report is a summary of the Japanese-language original.

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 Listing: Tokyo Stock Exchange, First Section
 Securities code: 1662
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Scheduled date of ordinary general shareholders' meeting: June 25, 2021
 Scheduled date to commence dividend payments: June 28, 2021
 Scheduled date to file Securities Report: June 25, 2021
 Presentation of supplementary material on financial results: Yes
 Holding of financial results presentation meeting (for institutional investors and analysts): Yes

(Millions of yen with fractional amounts discarded, unless otherwise noted)

1. Consolidated financial results for the fiscal year ended March 31, 2021 (April 1, 2020 – March 31, 2021)

(1) Consolidated operating results (Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2021	240,078	(24.7)	4,192	(70.6)	10,001	(69.4)	(2,725)	–
March 31, 2020	318,822	19.0	14,283	517.4	32,635	160.6	26,815	81.5

Note: Comprehensive income: FY2021/3: (1,574) million yen (– %) FY2020/3: (6,254) million yen (– %)

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
March 31, 2021	(47.73)	–	(0.7)	1.6	1.7
March 31, 2020	469.18	–	6.5	5.1	4.5

Reference: Equity in earnings (losses) of affiliates: FY2021/3: 5,808 million yen FY2020/3: 11,960 million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2021	624,786	434,492	64.0	7,011.36
As of March 31, 2020	627,132	440,157	64.2	7,046.18

Reference: Equity As of March 31, 2021: 400,171 million yen As of March 31, 2020: 402,706 million yen

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2021	43,263	(6,453)	(15,626)	157,963
March 31, 2020	69,895	(18,701)	(13,743)	138,259

2. Cash dividends

	Annual dividends					Total annual cash dividends	Dividend payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	First quarter	Second quarter	Third quarter	Fiscal year-end	Annual			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2020	–	25.00	–	25.00	50.00	2,857	10.7	0.7
Fiscal year ended March 31, 2021	–	25.00	–	25.00	50.00	2,857	–	0.7
Fiscal year ending March 31, 2022 (Forecast)	–	25.00	–	25.00	50.00		–	

3. Consolidated financial forecasts for the fiscal year ending March 31, 2022 (April 1, 2021 – March 31, 2022)
(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2022	211,153	(12.0)	8,215	95.9	15,740	57.4	(28,317)	–	(496.14)

* Notes

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in the change in scope of consolidation): None

(2) Changes in accounting policies, changes in accounting estimates, and restatement

- a. Changes in accounting policies due to revisions to accounting standards and other regulations: None
- b. Changes in accounting policies due to other reasons: None
- c. Changes in accounting estimates: Yes
- d. Restatement: None

Note: For details, please refer to “(5) Notes to consolidated financial statements (Changes in accounting estimates)” of “3. Consolidated financial statements and significant notes thereto” on page 17 of the attached material.

(3) Number of issued shares (common shares)

- a. Total number of issued shares at the end of the period (including treasury shares)
 - As of March 31, 2021 57,154,776 shares
 - As of March 31, 2020 57,154,776 shares
- b. Number of treasury shares at the end of the period
 - As of March 31, 2021 79,982 shares
 - As of March 31, 2020 2,303 shares
- c. Average number of shares during the period
 - Fiscal year ended March 31, 2021 57,106,407 shares
 - Fiscal year ended March 31, 2020 57,152,522 shares

Reference: Summary of non-consolidated results

Non-consolidated financial results for the fiscal year ended March 31, 2021
(April 1, 2020 – March 31, 2021)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2021	169,195	(22.1)	12,475	58.0	24,549	(17.4)	(26,664)	–
March 31, 2020	217,079	20.6	7,893	(16.4)	29,718	38.0	25,413	6.9

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2021	(466.92)	–
March 31, 2020	444.66	–

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2021	467,262	362,065	77.5	6,343.70
As of March 31, 2020	442,637	380,442	85.9	6,656.63

Reference: Equity As of March 31, 2021: 362,065 million yen As of March 31, 2020: 380,442 million yen

* Financial results reports are not required to be audited by certified public accountants or an audit corporation.

* Proper use of financial forecasts, and other special matters

The forward-looking statements, including the financial forecasts shown in this document are based on information currently available to the Company and on certain assumptions deemed to be reasonable. As such, they do not constitute guarantees by the Company of future performance. Actual performance and other results may differ materially from these forecasts due to various factors.

For the suppositions that form the assumptions for financial forecasts and cautions concerning the use thereof, please refer to the section of “(4) Future outlook” of “1. Overview of operating results and others” on page 7 of the attached material to the financial results report.

(Attached Material)

1. Overview of operating results and others

(1) Overview of operating results for the fiscal year under review

In the fiscal year ended March 31, 2021, the Japanese economy was under extremely difficult circumstances due to the impact of the novel coronavirus disease (COVID-19) from the end of the previous fiscal year. From the middle of the fiscal year and toward the latter half, while personal consumption and industrial production have shown signs of picking up, the recovery was weak, and the economic outlook continues to be uncertain.

The Japan Crude Cocktail (JCC) price plummeted from the mid-\$40s per barrel at the beginning of the fiscal year to the mid-\$20s by June, resulting from the failure of oil producing countries to agree with coordinated reduction in the beginning of March 2020 and the stagnation in economic activity due to the impact of COVID-19. Subsequently, economic activity in countries around the world moderately recovered, and against a backdrop of a coordinated reduction among the oil producing countries and other factors, crude oil price took to an upward trajectory, to reach the lower \$60s at the end of the fiscal year.

In the currency exchange market, the yen was hovering around the upper ¥100/US\$ level at the beginning of the fiscal year. Then, while violently fluctuating, it strengthened to reach the lower ¥100 level in January. The yen later weakened again to reach the upper ¥100 level as of the end of the fiscal year. As a result, the JAPEX Group's average oil sales price for the fiscal year declined compared to the previous fiscal year.

On the other hand, the JAPEX Group continued to face a severe domestic market environment with respect to natural gas sales. In addition to competition with prices of other oil products, that was due to intensifying competition amid efforts reinforced by other companies in JAPEX's market domain to promote natural gas infrastructure projects such as LNG receiving terminals and related pipelines, expansion of supplies outside traditional supply areas by the entire energy industry driven by the full retail liberalization of electricity and gas, and other factors.

Under such circumstances, the JAPEX Group has been promoting business based on "Long-Term Vision 2030 and Mid-Term Business Plan 2018-2022" announced in May 2018.

In particular, during the fiscal year, the JAPEX Group has made extensive progress through such efforts as growing the power generation business as a pillar of the Infrastructure/Utility Business, as exemplified by the commencement of full-scale commercial operations at the Fukushima Natural Gas Power Plant of Fukushima Gas Power Co., Ltd, in which JAPEX invests around 33% share.

During the fiscal year, net sales was ¥240,078 million, a decrease of ¥78,744 million (-24.7%) year on year. Gross profit was ¥36,534 million, a decrease of ¥10,507 million (-22.3%) year on year. Major factors behind the year-on-year decreases for net sales and gross profit were decreases in the sales volume and sales price of crude oil from the Garraf Oil Field in the southern part of the Republic of Iraq, decreases in the sales volume and sales price of crude oil and natural gas in Japan, a decline in diluted bitumen sales, and other negative factors overwhelming the positive factors such as the sales of electricity due to the commencement of commercial operations at the Fukushima Natural Gas Power Plant.

Exploration expenses was ¥989 million, an increase of ¥95 million (+10.7%) year on year. Selling, general and administrative expenses was ¥31,352 million, a decrease of ¥512 million (-1.6%) year on year. As a result, operating profit was ¥4,192 million, a decrease of ¥10,091 million (-70.6%) year on year.

Ordinary profit was ¥10,001 million, a decrease of ¥22,633 million (-69.4%) year on year, due mainly to a decrease in share of profit of entities accounted for using equity method, the turnaround from foreign exchange gains to foreign exchange losses, and a decrease in dividend income.

Profit before income taxes deteriorated by ¥39,226 million year on year to a loss before income taxes of ¥7,322 million (profit before income taxes of ¥31,903 million in the previous fiscal year) due to the recording of impairment losses within some domestic business assets under extraordinary losses. Profit attributable to owners of parent deteriorated by ¥29,541 million year on year to a loss attributable to owners of parent of ¥2,725 million (profit attributable to owners of parent of ¥26,815 million in the previous fiscal year).

Below is a breakdown of net sales.

(i) E&P Business

Net sales from the E&P Business came to ¥97,482 million, a decrease of ¥77,960 million (-44.4%) year on year. This was mainly the result of decreased sales volumes and sales prices of crude oil and diluted bitumen.

(ii) Infrastructure/Utility Business

Net sales from the Infrastructure/Utility Business came to ¥101,301 million, an increase of ¥12,612 million (+14.2%) year on year. This was the result of the addition of the electric power business with the commencement of commercial operations of the No. 2 Unit at the Fukushima Natural Gas Power Plant in August 2020, following the No. 1 Unit's commencement of operations in April 2020, despite decreased sales volumes and sales prices of natural gas in Japan and decreased sales prices of liquefied natural gas (LNG).

(iii) Other Businesses

Net sales from other businesses, such as the contract services (drilling and geological surveys, etc.), sale of oil products, including liquefied petroleum gas (LPG), fuel oil and the like, as well as other subcontracted tasks, came to ¥41,294 million, a decrease of ¥13,396 million (-24.5%) year on year.

Below is a summary of performance by segment (before elimination of intersegment transactions).

(1) Japan

Net sales in the Japan segment are mainly composed of crude oil and natural gas (including LNG), electricity, contract services, oil products and the like. In the fiscal year under review, net sales came to ¥213,319 million, a decrease of ¥55,054 million (-20.5%) year on year. This was mainly the result of decreased sales volumes of crude oil and natural gas, and decreased sales prices of crude oil, natural gas and liquefied natural gas (LNG), despite the inclusion of sales of electricity with the commencement of commercial operations of the Fukushima Natural Gas Power Plant. Segment profit increased by ¥3,153 million (+16.7%) year on year to ¥21,988 million, due to the addition of the electric power business and other factors.

(2) North America

Net sales in the North America segment are mainly composed of crude oil and natural gas (including diluted bitumen). In the fiscal year under review, net sales came to ¥26,065 million, a decrease of ¥22,637 million (-46.5%) year on year due mainly to a decrease in sales prices of diluted bitumen. With respect to segment profit (loss), there was a segment loss of ¥9,374 million (compared to segment profit of ¥3,422 million in the previous fiscal year) due to decline in prices of oil and deterioration of profitability in diluted bitumen sales resulting from the wider light-heavy differential (*1).

(3) Europe

In the Europe segment, exploration activities have been conducted in the UK North Sea block located offshore Aberdeen. In the fiscal year under review, there was segment loss of ¥132 million (compared to segment loss of ¥164 million in the previous fiscal year).

(4) Middle East

Net sales from the Middle East segment are composed of crude oil. In the fiscal year under review, net sales came to ¥16,749 million, a decrease of ¥27,141 million (-61.8%) year on year, due mainly to decline in sales volume. Segment profit came to ¥165 million, a decrease of ¥447 million (-73.1%) year on year due to a decrease in net sales and other factors.

(*1) The differential between Western Canadian Select (WCS), which is the reference price for heavy crude oil from the oil sands, and the WTI, which is the reference price of light crude oil

(2) Overview of financial position for the fiscal year under review

Total assets at the end of this fiscal year decreased by ¥2,345 million from the previous fiscal year-end to ¥624,786 million.

Current assets increased by ¥7,980 million from the previous fiscal year-end. This was mainly due to an increase in notes and accounts receivable - trade, despite a decrease in raw materials and supplies. Non-current assets decreased by ¥10,326 million from the previous fiscal year-end. This was mainly due to a decrease in property, plant and equipment resulting from the impairment losses and progress in the depreciation, despite an increase in investment securities resulting from the rise in market values.

Liabilities increased by ¥3,319 million from the previous fiscal year-end to ¥190,294 million.

Current liabilities increased by ¥68,038 million from the previous fiscal year-end. This was mainly due to the reclassification of current portion of long-term borrowings from long-term borrowings in non-current liabilities and an increase in notes and accounts payable - trade. Non-current liabilities decreased by ¥64,718 million from the previous fiscal year-end. This was mainly due to a decrease resulting from the above-mentioned reclassification of borrowings with repayments due in one year or less to current liabilities, despite an increase in asset retirement obligations.

Net assets decreased by ¥5,665 million from the previous fiscal year-end to ¥434,492 million.

The main factors were decreases in retained earnings and foreign currency translation adjustment, despite an increase in valuation difference on available-for-sale securities.

(3) Overview of cash flows for the fiscal year under review

As of March 31, 2021, cash and cash equivalents (hereinafter “net cash”) increased by ¥19,703 million compared to the end of the previous fiscal year to ¥157,963 million. Below is a summary of cash flows for each activity.

(Cash flows from operating activities)

Net cash provided by operating activities amounted to ¥43,263 million. The main factors were recovery of recoverable accounts of ¥15,196 million and ¥22,599 million in depreciation.

(Cash flows from investing activities)

Net cash used in investing activities amounted to ¥6,453 million. Net cash was mainly used in payments of recoverable accounts of ¥14,971 million and purchase of property, plant and equipment of ¥15,153 million, while net cash was mainly provided by interest and dividends received of ¥10,358 million.

(Cash flows from financing activities)

Net cash used in financing activities was ¥15,626 million. Net cash was mainly used in repayments of long-term borrowings of ¥6,470 million, interest paid of ¥2,908 million and dividends paid of ¥2,858 million.

Reference: Trend of cash flow indicators

Fiscal years ended March 31	2017	2018	2019	2020	2021
Equity ratio (%)	58.6	60.8	63.6	64.2	64.0
Equity ratio on mark-to-market basis (%)	19.5	19.8	20.9	16.2	18.8
Interest-bearing debt to cash flow ratio (years)	3.4	2.8	4.3	1.8	2.6
Interest coverage ratio (times)	48.7	28.4	8.0	14.8	14.9

Equity ratio: Equity/Total assets

Equity ratio on mark-to-market basis: Total market capitalization/Total assets

Interest-bearing debt to cash flow ratio: Interest-bearing debt/Cash flows

Interest coverage ratio: Cash flow/Interest paid

Notes:

*1. The “Partial Amendments to Accounting Standard for Tax Effect Accounting” (ASBJ Statement No. 28, February 16, 2018) and relevant Guidances have been applied from the beginning of the fiscal year ended March 31, 2019. Accordingly, with regard to “Reference: Trend of cash flow indicators” for the fiscal year ended March 31, 2018, the indicators represent those after this accounting standard, etc. was applied retrospectively.

*2. The above indicators are calculated based on consolidated financial figures.

*3. Total market capitalization is calculated based on the number of shares outstanding (excluding treasury shares).

*4. Cash flow here is cash flows from operating activities.

*5. Interest-bearing debt is all debt subject to interest payments within liabilities (excluding lease obligations) shown on the consolidated balance sheet.

(4) Future outlook

The latest financial forecasts are based on a JCC price of \$60 per barrel for the whole fiscal year, and an exchange rate of ¥105/\$ for the whole fiscal year. Actual non-consolidated results for the fiscal year under review came to \$42.91 per barrel and ¥105.86/\$.

Net sales for the fiscal year ending March 31, 2022 is expected to decrease by ¥28,924 million (-12.0%) from the fiscal year under review to ¥211,153 million. This is mainly due to a reevaluation of the criteria for recording net sales for some transactions resulting from the application of the “Accounting Standard for Revenue Recognition” from the beginning of fiscal 2021.

Operating profit is expected to increase by ¥4,023 million from the fiscal year under review to reach ¥8,215 million, due mainly to the rise in the sales prices of crude oil and natural gas and the projected improvement in diluted bitumen sales due to a rise in its sales price.

Ordinary profit is expected to increase by ¥5,739 million from the fiscal year under review to reach ¥15,740 million. This mainly reflects the projection of an increase in share of profit of entities accounted for using equity method.

Loss attributable to owners of parent is expected to deteriorate by ¥25,591 million from the fiscal year under review to a loss attributable to owners of parent of ¥28,317 million, due to expected losses resulting from the transfer of interests owned by JAPEX Montney Ltd., a consolidated subsidiary of JAPEX.

2. Basic rationale for selecting the accounting standard

The JAPEX Group currently has a policy to prepare the consolidated financial statements based on the generally accepted accounting standards in Japan (Japanese GAAP), giving consideration to the possibility of comparing the consolidated financial statements between terms.

Concerning the adoption of International Financial Reporting Standards (IFRS), the JAPEX Group intends to respond appropriately giving due consideration to the situation in Japan and overseas.

3. Consolidated financial statements and significant notes thereto

(1) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
Assets		
Current assets		
Cash and deposits	160,077	162,368
Notes and accounts receivable - trade	27,510	39,519
Securities	4,000	3,030
Merchandise and finished goods	5,223	4,297
Work in process	167	140
Raw materials and supplies	11,141	8,001
Other	4,966	3,715
Allowance for doubtful accounts	(31)	(38)
Total current assets	213,054	221,034
Non-current assets		
Property, plant and equipment		
Buildings and structures	335,240	327,422
Accumulated depreciation	(161,558)	(169,580)
Buildings and structures, net	173,682	157,841
Wells	117,964	119,329
Accumulated depreciation	(90,980)	(94,363)
Wells, net	26,984	24,965
Machinery, equipment and vehicles	146,113	145,143
Accumulated depreciation	(111,983)	(117,309)
Machinery, equipment and vehicles, net	34,129	27,834
Land	16,670	12,385
Construction in progress	31,466	34,537
Other	37,965	36,783
Accumulated depreciation	(26,861)	(27,603)
Other, net	11,103	9,180
Total property, plant and equipment	294,038	266,745
Intangible assets		
Other	6,823	6,129
Total intangible assets	6,823	6,129
Investments and other assets		
Investment securities	88,922	105,070
Long-term loans receivable	43	48
Deferred tax assets	8,003	7,940
Retirement benefit asset	971	2,384
Other	16,034	15,850
Allowance for doubtful accounts	(44)	(44)
Allowance for overseas investment loss	(715)	(373)
Total investments and other assets	113,216	130,877
Total non-current assets	414,078	403,752
Total assets	627,132	624,786

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	12,237	21,546
Current portion of long-term borrowings	6,833	62,175
Provision for loss on disaster	–	913
Other	16,667	19,142
Total current liabilities	35,738	103,776
Non-current liabilities		
Long-term borrowings	118,774	50,180
Deferred tax liabilities	9,878	7,919
Retirement benefit liability	3,528	3,545
Asset retirement obligations	15,432	21,262
Other	3,623	3,609
Total non-current liabilities	151,236	86,517
Total liabilities	186,975	190,294
Net assets		
Shareholders' equity		
Share capital	14,288	14,288
Retained earnings	350,934	344,438
Treasury shares	(11)	(151)
Total shareholders' equity	365,212	358,575
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	33,061	44,228
Deferred gains or losses on hedges	181	(488)
Foreign currency translation adjustment	3,494	(3,810)
Remeasurements of defined benefit plans	756	1,667
Total accumulated other comprehensive income	37,494	41,596
Non-controlling interests	37,450	34,320
Total net assets	440,157	434,492
Total liabilities and net assets	627,132	624,786

(2) Consolidated statement of income and Consolidated statement of comprehensive income
Consolidated statement of income

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Net sales	318,822	240,078
Cost of sales	271,780	203,543
Gross profit	47,042	36,534
Exploration expenses	893	989
Selling, general and administrative expenses	*1, *2 31,864	*1, *2 31,352
Operating profit	14,283	4,192
Non-operating income		
Interest income	1,096	412
Dividend income	5,618	2,823
Gain on sale of securities	240	–
Share of profit of entities accounted for using equity method	11,960	5,808
Foreign exchange gains	2,425	–
Other	2,313	846
Total non-operating income	23,654	9,891
Non-operating expenses		
Interest expenses	4,641	2,529
Loss on sale of securities	1	–
Foreign exchange losses	–	639
Other	660	912
Total non-operating expenses	5,303	4,081
Ordinary profit	32,635	10,001
Extraordinary income		
Gain on sale of non-current assets	1	11
Total extraordinary income	1	11
Extraordinary losses		
Loss on retirement of non-current assets	193	30
Impairment losses	*3 524	*3 16,351
Loss on disaster	–	*4 948
Other	14	5
Total extraordinary losses	733	17,335
Profit (loss) before income taxes	31,903	(7,322)
Income taxes - current	4,318	4,941
Income taxes - deferred	469	(6,864)
Total income taxes	4,788	(1,923)
Profit (loss)	27,114	(5,399)
Profit (loss) attributable to non-controlling interests	299	(2,673)
Profit (loss) attributable to owners of parent	26,815	(2,725)

Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Profit (loss)	27,114	(5,399)
Other comprehensive income		
Valuation difference on available-for-sale securities	(33,236)	11,160
Deferred gains or losses on hedges	184	125
Foreign currency translation adjustment	(34)	(7,853)
Remeasurements of defined benefit plans, net of tax	(357)	910
Share of other comprehensive income of entities accounted for using equity method	74	(517)
Total other comprehensive income	(33,369)	3,825
Comprehensive income	(6,254)	(1,574)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(6,437)	1,375
Comprehensive income attributable to non- controlling interests	183	(2,949)

(3) Consolidated statement of changes in equity

Fiscal year ended March 31, 2020 (April 1, 2019 – March 31, 2020)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	14,288	157	331,306	(10)	345,741
Changes during period					
Dividends of surplus			(3,143)		(3,143)
Profit (loss) attributable to owners of parent			26,815		26,815
Change in ownership interest of parent due to transactions with non-controlling interests		(4,192)			(4,192)
Change in scope of consolidation			(7)		(7)
Change in scope of equity method					
Purchase of treasury shares				(0)	(0)
Transfer from retained earnings to capital surplus		4,035	(4,035)		–
Net changes in items other than shareholders' equity					
Total changes during period	–	(157)	19,628	(0)	19,470
Balance at end of period	14,288	–	350,934	(11)	365,212

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	66,296	(2)	3,338	1,114	70,747	33,668	450,156
Changes during period							
Dividends of surplus							(3,143)
Profit (loss) attributable to owners of parent							26,815
Change in ownership interest of parent due to transactions with non-controlling interests							(4,192)
Change in scope of consolidation							(7)
Change in scope of equity method							
Purchase of treasury shares							(0)
Transfer from retained earnings to capital surplus							–
Net changes in items other than shareholders' equity	(33,235)	184	156	(357)	(33,252)	3,782	(29,470)
Total changes during period	(33,235)	184	156	(357)	(33,252)	3,782	(9,999)
Balance at end of period	33,061	181	3,494	756	37,494	37,450	440,157

Fiscal year ended March 31, 2021 (April 1, 2020 – March 31, 2021)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	14,288	–	350,934	(11)	365,212
Changes during period					
Dividends of surplus			(2,857)		(2,857)
Profit (loss) attributable to owners of parent			(2,725)		(2,725)
Change in ownership interest of parent due to transactions with non-controlling interests					
Change in scope of consolidation			(0)		(0)
Change in scope of equity method			(911)		(911)
Purchase of treasury shares				(140)	(140)
Transfer from retained earnings to capital surplus					
Net changes in items other than shareholders' equity					
Total changes during period	–	–	(6,495)	(140)	(6,636)
Balance at end of period	14,288	–	344,438	(151)	358,575

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	33,061	181	3,494	756	37,494	37,450	440,157
Changes during period							
Dividends of surplus							(2,857)
Profit (loss) attributable to owners of parent							(2,725)
Change in ownership interest of parent due to transactions with non-controlling interests							
Change in scope of consolidation							(0)
Change in scope of equity method							(911)
Purchase of treasury shares							(140)
Transfer from retained earnings to capital surplus							
Net changes in items other than shareholders' equity	11,167	(670)	(7,305)	910	4,101	(3,130)	971
Total changes during period	11,167	(670)	(7,305)	910	4,101	(3,130)	(5,665)
Balance at end of period	44,228	(488)	(3,810)	1,667	41,596	34,320	434,492

(4) Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Cash flows from operating activities		
Profit (loss) before income taxes	31,903	(7,322)
Depreciation	25,190	22,599
Impairment losses	524	16,351
Loss on retirement of property, plant and equipment	136	30
Loss (gain) on valuation of short-term and long-term investment securities	–	12
Increase (decrease) in allowance for doubtful accounts	(4)	6
Decrease (increase) in retirement benefit asset	347	(1,413)
Increase (decrease) in retirement benefit liability	75	16
Increase (decrease) in allowance for overseas investment loss	(342)	(342)
Interest and dividend income	(6,714)	(3,235)
Interest expenses	4,641	2,529
Foreign exchange losses (gains)	(2,986)	(7)
Loss (gain) on sale of short-term and long-term investment securities	(239)	–
Share of loss (profit) of entities accounted for using equity method	(11,960)	(5,808)
Recovery of recoverable accounts	41,040	15,196
Decrease (increase) in trade receivables	(6,695)	(12,188)
Decrease (increase) in inventories	(4,029)	4,003
Increase (decrease) in trade payables	3,831	10,211
Increase (decrease) in accrued consumption taxes	(668)	2,219
Other, net	(2,138)	3,490
Subtotal	71,914	46,348
Income taxes refund (paid)	(2,018)	(3,085)
Net cash provided by (used in) operating activities	69,895	43,263

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Cash flows from investing activities		
Payments into time deposits	(77,870)	(28,281)
Proceeds from withdrawal of time deposits	70,869	46,446
Purchase of property, plant and equipment	(7,566)	(15,153)
Proceeds from sale of property, plant and equipment	11	21
Purchase of intangible assets	(111)	(416)
Payments for asset retirement obligations	(78)	(114)
Purchase of investment securities	(373)	(6,806)
Proceeds from sale and redemption of investment securities	1,024	–
Payments of recoverable accounts	(30,226)	(14,971)
Loan advances	(26)	(26)
Proceeds from collection of loans receivable	4,484	22
Interest and dividends received	18,820	10,358
Proceeds from dividends of residual property	5	–
Proceeds from capital reduction of investments	2,138	3,068
Other, net	196	(598)
Net cash provided by (used in) investing activities	(18,701)	(6,453)
Cash flows from financing activities		
Proceeds from short-term borrowings	49,918	75,079
Repayments of short-term borrowings	(48,615)	(77,813)
Repayments of long-term borrowings	(6,307)	(6,470)
Purchase of treasury shares	(0)	(140)
Dividends paid	(3,141)	(2,858)
Dividends paid to non-controlling interests	(516)	(180)
Interest paid	(4,729)	(2,908)
Repayments of lease obligations	(357)	(335)
Proceeds from share issuance to non-controlling shareholders	4	–
Net cash provided by (used in) financing activities	(13,743)	(15,626)
Effect of exchange rate change on cash and cash equivalents	175	(1,479)
Net increase (decrease) in cash and cash equivalents	37,625	19,703
Cash and cash equivalents at beginning of period	100,633	138,259
Cash and cash equivalents at end of period	* 138,259	* 157,963

(5) Notes to consolidated financial statements

(Notes on premise of going concern)

No item to report.

(Changes in accounting estimates)

Changes in asset retirement obligations estimates

Regarding the asset retirement obligations recorded as expenses pertaining to the future withdrawal of the offshore platform and well abandonment in the Iwafune-oki oil and gas field (hereinafter “expenses pertaining to the withdrawal, etc.”), the estimate of the expenses pertaining to the withdrawal, etc. required at the end of the project was changed as a result of obtaining new information regarding the expenses pertaining to the withdrawal, etc. The amount increase of ¥5,375 million due to the estimate change was added to the asset retirement obligations balance from before the change.

Furthermore, due to said changes in the estimate, operating profit and ordinary profit for the fiscal year under review both decreased by ¥873 million, and loss before income taxes increased by ¥4,441 million.

(Additional information)

Financial covenants

A part of loans from financial institutions to JAPEX Montney Ltd. (hereinafter “JML”), a consolidated subsidiary of the Company, amounting to ¥28,048 million includes certain financial covenants clauses. JML has been breaching the financial covenants clauses as it has been in a state of insolvency. Regarding the resulting acceleration, because the moratorium on the exercise of rights by the financial institutions ends on March 31, 2021, the Company’s Board of Directors passed a resolution on March 10, 2021, regarding the Company’s payment of guarantee obligations for a portion of JML’s borrowings from the financial institutions. Furthermore, the said payment of guarantee obligations was carried out on April 1, 2021.

Accounting estimates in connection with the spread of novel coronavirus disease (COVID-19)

While the dissipation of the COVID-19 pandemic remains uncertain as of the end of the fiscal year under review, prolonged stagnation is seen in economic activities in Japan and overseas. Although the timing COVID-19 dissipates is still unknown and difficult to be predicted, the Company expects that the situation will gradually recover as time goes by.

The Garraf Oil Field in the southern part of the Republic of Iraq, which had temporarily suspended its development and production operation due to the impact of COVID-19, resumed its production operation from July last year. However, due to restrictions on transfer and other factors, the additional development was delayed and therefore, the increase in production volume to a scale of 230,000 barrels a day, which was expected at the end of last year, will be delayed to later years. Also, scheduling and other matters concerning the development in the UK North Sea’s Seagull field, for which we are aiming for production commencement by the end of this year, are subject to change.

Concerning the impact on sales volumes of crude oil, natural gas, diluted bitumen, electricity, etc. during the fiscal year ended March 31, 2021, the sales volume of the crude oil from the above-mentioned Garraf project decreased by 609,000 kl (-56.7%) year on year to 465,000 kl. In the oil sand development project in Canada, the sales volume of diluted bitumen decreased by 319,000 kl (-19.5%) year on year to 1,319,000 kl due to the curbing of production in response to the deteriorated business environment. In Japan, the sales volume of natural gas declined by 85 million cubic meters (-6.7%) year on year to 1,183 million cubic meters, due to the sluggish economic activity. It is the view of the Company that the prolonging of the effects of the COVID-19 pandemic and the global movement toward decarbonization could give rise to the possibility of irreversible structural changes in various areas such as energy demand and environmental concerns, which could suppress the demand for fossil fuels for some considerable time. Moreover, there have been calls to focus on a “green recovery” while undertaking the global economic recovery from the COVID-19 pandemic, which could further accelerate the growing tide of decarbonization. In light of the changes in the business environment surrounding the Company and the trend of rising global carbon prices, the Company lowered its projections for the medium- to long-term oil price from the existing price of \$60 per barrel to \$50 per barrel.

Due to this change, impairment losses were recorded within some business assets as a result of conducting a reevaluation of major assets of the Group within the fiscal year under review.

In addition, there are some accounting estimates of high uncertainty should assumptions change, namely the recoverability of deferred tax assets. The estimate change resulting from the above-mentioned hypothetical fluctuations may impact taxable income for the Company and its consolidated subsidiaries, and the amount of deferred tax assets recorded may increase or decrease.

(Consolidated balance sheet)
Contingent liabilities

		(Millions of yen)	
As of March 31, 2020		As of March 31, 2021	
(1) Liabilities for guarantees on borrowings to financial institutions			
INPEX North Caspian Sea, Ltd.	8,012	Employees (borrowings for housing funds)	38
Employees (borrowings for housing funds)	61	Kumamoto Mirai LNG Co., Ltd.	38
Kumamoto Mirai LNG Co., Ltd.	44	Greenland Petroleum Exploration Co., Ltd.	19
Greenland Petroleum Exploration Co., Ltd.	18		
(2) Guarantees on liabilities related to production facilities			
Kangean Energy Indonesia Ltd.	1,364	Kangean Energy Indonesia Ltd.	736
Total	9,501	Total	832

(Consolidated statement of income)

*1. Below is a breakdown of major expense items and amount of selling, general and administrative expenses:

			(Millions of yen)
		Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Personnel expenses		11,152	11,225
(of the above, retirement benefit expenses)		506	564
Freight costs		6,595	7,093
Depreciation		4,446	4,333

*2. Total amount of research and development expenses included in general and administrative expenses

		(Millions of yen)
Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021	
360	190	

*3. Impairment losses

The JAPEX Group recognized impairment losses on the asset groups as shown below.
Fiscal year ended March 31, 2020 (April 1, 2019 – March 31, 2020)

Use	Location	Impairment losses	
		Type	Amount (Millions of yen)
Business assets related to Amarume Oil Field	Shonai Town, Yamagata Prefecture	Buildings and structures	148
		Machinery, equipment and vehicles	305
		Land	67
		Other	2
	Total		524

The JAPEX Group deems a production facility, etc. as the minimum unit that generates largely independent cash flows for business assets, and groups assets at the level of individual property for idle assets.

As for business assets related to Amarume Oil field, the carrying value of business assets for production operation is written off to the recoverable amount, and the write-off is recorded as impairment losses under extraordinary losses, based on estimation of future cash flows with the drop in the crude oil price.

In addition, the recoverable amount is measured at value in use which is recorded at the memorandum value as the future cash flows are expected to be negative.

Fiscal year ended March 31, 2021 (April 1, 2020 – March 31, 2021)

Use	Location	Impairment losses	
		Type	Amount (Millions of yen)
Business assets related to Yufutsu oil and gas field	Tomakomai City, Hokkaido and others	Buildings and structures	1,598
		Machinery, equipment and vehicles	3,466
		Land	3,780
		Other	2,326
	Total	11,172	
Business assets related to Iwafune-oki oil and gas field	Tainai City, Niigata and others	Machinery, equipment and vehicles	3,821
		Other	824
	Total	4,645	
Other			533

The JAPEX Group deems a production facility, etc. as the minimum unit that generates largely independent cash flows for business assets, and groups assets at the level of individual property for idle assets.

As for business assets related to the Yufutsu oil and gas field, the carrying value of business assets for production operation is written off to the recoverable amount, and the write-off is recorded as impairment losses under extraordinary losses, based on review of future cash flows with a downward revision in the crude oil price forecast.

In addition, the recoverable amount of this asset group is measured at value in use, which is recorded at the memorandum value as the future cash flows are expected to be negative.

As for business assets related to the Iwafune-oki oil and gas field, the carrying value of business assets for production operation is written off to the recoverable amount, and the write-off is recorded as impairment losses under extraordinary losses, with an increase in asset retirement obligations due to a change in the estimate for expenses related to the future withdrawal of the Iwafune-oki offshore platform and well abandonment.

The recoverable amount for this asset group is measured from its value in use, then calculated by discounting future cash flows at 8%.

*4. Losses on disaster of ¥948 million includes provision for loss on disaster of ¥913 million.

(Consolidated statement of changes in equity)

Fiscal year ended March 31, 2020 (April 1, 2019 – March 31, 2020)

1. Class and total number of issued shares and class and number of treasury shares

	Number of shares at the beginning of the fiscal year (shares)	Increase (shares)	Decrease (shares)	Number of shares at the end of the fiscal year (shares)
Issued shares				
Common shares	57,154,776	–	–	57,154,776
Total	57,154,776	–	–	57,154,776
Treasury shares				
Common shares	2,207	96	–	2,303
Total	2,207	96	–	2,303

Note The increase of 96 treasury shares of common shares is due to purchases of shares less than one unit.

2. Dividends

(1) Cash dividends paid

Resolution	Class of shares	Total dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 27, 2019	Common shares	1,714	30	March 31, 2019	June 28, 2019
Meeting of the Board of Directors held on November 8, 2019	Common shares	1,428	25	September 30, 2019	December 16, 2019

(2) Dividends payments whose record date is in the fiscal year under review but whose effective date is in the following fiscal year

Resolution	Class of shares	Total dividends (Millions of yen)	Resource of Dividends	Dividends per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 26, 2020	Common shares	1,428	Retained earnings	25	March 31, 2020	June 29, 2020

Fiscal year ended March 31, 2021 (April 1, 2020 – March 31, 2021)

1. Class and total number of issued shares and class and number of treasury shares

	Number of shares at the beginning of the fiscal year (shares)	Increase (shares)	Decrease (shares)	Number of shares at the end of the fiscal year (shares)
Issued shares				
Common shares	57,154,776	–	–	57,154,776
Total	57,154,776	–	–	57,154,776
Treasury shares				
Common shares	2,303	77,679	–	79,982
Total	2,303	77,679	–	79,982

Notes 1. The increase of 77,679 shares in treasury shares of common stock comprises an increase of 79 shares due to purchases of shares less than one unit and an increase of 77,600 shares due to an acquisition of the Company's shares by the Board Benefit Trust (BBT).

2. The number of treasury shares of common stock at the end of the fiscal year ended March 31, 2021 includes 77,600 shares held by the Board Benefit Trust (BBT).

2. Dividends

(1) Cash dividends paid

Resolution	Class of shares	Total dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 26, 2020	Common shares	1,428	25	March 31, 2020	June 29, 2020
Meeting of the Board of Directors held on November 10, 2020	Common shares	1,428	25	September 30, 2020	December 14, 2020

Note: The total amount of the dividend at the meeting of the Board of Directors held on November 10, 2020 includes a dividend of ¥1 million for shares held by the Board Benefit Trust (BBT).

(2) Dividends payments whose record date is in the fiscal year under review but whose effective date is in the following fiscal year

Resolution	Class of shares	Total dividends (Millions of yen)	Resource of Dividends	Dividends per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 25, 2021	Common shares	1,428	Retained earnings	25	March 31, 2021	June 28, 2021

Note: The total amount of the dividend at the Ordinary General Meeting of Shareholders held on June 25, 2021 includes a dividend of ¥1 million for shares held by the Board Benefit Trust (BBT).

(Consolidated statement of cash flows)

* Reconciliation of cash and cash equivalents at end of period and the amount recorded in the consolidated balance sheet (Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Cash and deposits	160,077	162,368
Time deposits with maturity over three months	(25,817)	(7,405)
Short-term investments, etc. having maturities within three months from the acquisition date (Securities) Money management fund and others	4,000	3,000
Cash and cash equivalents	138,259	157,963

(Segment information, etc.)

[Segment information]

1. Summary of reportable segments

The JAPEX Group's reportable segments are segments for which separated financial information is available and which are periodically examined by the Board of Directors to determine allocation of managerial resources and assess business performance, among components of the JAPEX Group.

In addition to business activities in Japan, the JAPEX Group has developed business activities overseas through a project company established at each business location.

Therefore, the JAPEX Group consists of segments by business location and considers "Japan," "North America," "Europe" and "Middle East" as reportable segments.

"Japan" consists of business activities such as exploration, development, and production for crude oil and natural gas, sales of crude oil as the E&P Business in Japan; sales of natural gas and LNG, contract services for transportation of natural gas, and generation and sales of electric power, etc. as the Infrastructure/Utility Business; and manufacturing, purchase, sale and transportation of oil products, contract services for well drilling work, etc. as the Other Businesses.

"North America" consists of business activities such as exploration, development, production, purchase, sale, etc. for crude oil, natural gas and bitumen (extra-heavy oil extracted from oil sands) as E&P Business in North America.

"Europe" consists of business activities such as exploration and development for crude oil and natural gas as E&P Business in Europe.

"Middle East" consists of business activities such as development, production, sale, etc. of crude oil and natural gas as E&P Business in the Middle East.

2. Method for calculating net sales, profit (loss), assets and other items by reportable segment

The method for accounting for reported operating segments is basically the same as the description in "Material matters that serve as the basis for preparing consolidated financial statements" of the latest securities report submitted on June 26, 2020 (Japanese only). Profit of reportable segments is the figure based on operating profit. Intersegment revenue and transfers are based on prevailing market prices.

3. Information regarding net sales, profit (loss), assets and other items by reportable segment

Fiscal year ended March 31, 2020 (April 1, 2019 – March 31, 2020)

(Millions of yen)

	Reportable segment					Others (Note) 1	Total	Adjustment (Note) 2	Amount on the consolidated financial statements (Note) 3
	Japan	North America	Europe	Middle East	Total				
Net sales									
Net sales to outside customers	268,365	48,703	–	1,754	318,822	–	318,822	–	318,822
Intersegment sales or transfers	8	–	–	42,136	42,144	–	42,144	(42,144)	–
Total	268,373	48,703	–	43,890	360,967	–	360,967	(42,144)	318,822
Segment profit (loss)	18,834	3,422	(164)	612	22,705	(1)	22,703	(8,419)	14,283
Segment assets	97,780	191,611	6,018	13,628	309,038	–	309,038	318,093	627,132
Other items									
Depreciation	12,407	12,138	0	293	24,839	–	24,839	351	25,190
Share of profit (loss) of entities accounted for using equity method	152	–	–	(8)	144	11,816	11,960	–	11,960
Investments in entities accounted for using equity method	347	–	–	286	634	20,494	21,128	–	21,128
Increase in property, plant and equipment and intangible assets	3,787	4,907	1,697	–	10,392	–	10,392	255	10,648

Fiscal year ended March 31, 2021 (April 1, 2020 – March 31, 2021)

(Millions of yen)

	Reportable segment					Others (Note) 1	Total	Adjustment (Note) 2	Amount on the consolidated financial statements (Note) 3
	Japan	North America	Europe	Middle East	Total				
Net sales									
Net sales to outside customers	213,308	26,065	–	703	240,078	–	240,078	–	240,078
Intersegment sales or transfers	11	–	–	16,045	16,056	–	16,056	(16,056)	–
Total	213,319	26,065	–	16,749	256,134	–	256,134	(16,056)	240,078
Segment profit (loss)	21,988	(9,374)	(132)	165	12,645	–	12,645	(8,453)	4,192
Segment assets	79,397	180,230	7,968	13,211	280,808	–	280,808	343,978	624,786
Other items									
Depreciation	12,595	9,590	0	192	22,378	–	22,378	221	22,599
Share of profit (loss) of entities accounted for using equity method	(319)	–	–	(10)	(329)	6,138	5,808	–	5,808
Investments in entities accounted for using equity method	679	–	–	286	966	17,121	18,087	–	18,087
Increase in property, plant and equipment and intangible assets	4,961	7,456	2,104	–	14,522	–	14,522	149	14,672

Notes 1. The “Others” category represents operating segments that are not included in reportable segments, and includes Russia, etc.

2. Major components of adjustment are as follows:

(1) Segment profit (loss)

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Elimination of intersegment transactions	16	14
Corporate expenses *	(8,436)	(8,467)
Total	(8,419)	(8,453)

* Corporate expenses are mainly general and administrative expenses and experimentation and research expenses, all of which are not attributable to the reportable segments.

(2) Segment assets

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
Elimination of intersegment transactions	(600)	(586)
Corporate assets *1	3,204	3,208
Other assets *2	315,489	341,355
Total	318,093	343,978

*1. Corporate assets are mainly assets for management by the headquarters that do not belong to the reportable segments.

*2. Assets allocated to segments are recoverable accounts included in property, plant and equipment, intangible assets, and investments and other assets, whereas other assets are assets other than property, plant and equipment, intangible assets, and recoverable accounts that are not allocated to segments.

3. Segment profit (loss) was adjusted to operating profit in the consolidated statement of income.

[Related information]

Fiscal year ended March 31, 2020 (April 1, 2019 – March 31, 2020)

1. Information by product or service

(Millions of yen)

	E&P Business			Infrastructure/Utility Business			
	Crude Oil	Diluted bitumen	Natural gas (overseas)	Natural gas (Japan)	LNG	Electricity	Others
Net sales to outside customers	128,152	45,025	2,265	64,965	19,395	974	3,353

	Other businesses			Total
	Contract Services	Oil products/merchandise	Others	
Net sales to outside customers	15,003	37,502	2,184	318,822

2. Information by geographical area

(1) Net sales

(Millions of yen)

Japan	Canada	Russia	Iraq	Others	Total
159,815	48,062	66,341	43,960	642	318,822

Note Net sales are classified into countries or regions based on the place where products, etc. were delivered and the location where services were rendered.

(2) Property, plant and equipment

(Millions of yen)

Japan	Canada	Others	Total
99,523	186,499	8,015	294,038

3. Information by major customer

(Millions of yen)

Name of customer or individual	Net sales	Related segment
BP Singapore Pte. Ltd	34,707	Japan

Fiscal year ended March 31, 2021 (April 1, 2020 – March 31, 2021)

1. Information by product or service

(Millions of yen)

	E&P Business			Infrastructure/Utility Business			
	Crude Oil	Diluted bitumen	Natural gas (overseas)	Natural gas (Japan)	LNG	Electricity	Others
Net sales to outside customers	72,916	21,695	2,870	51,291	15,591	30,087	4,331

	Other businesses			Total
	Contract Services	Oil products/merchandise	Others	
Net sales to outside customers	7,633	31,931	1,729	240,078

2. Information by geographical area

(1) Net sales

(Millions of yen)

Japan	Canada	Russia	Iraq	Others	Total
152,325	25,745	44,918	16,768	320	240,078

Note Net sales are classified into countries or regions based on the place where products, etc. were delivered and the location where services were rendered.

(2) Property, plant and equipment

(Millions of yen)

Japan	Canada	Others	Total
81,422	175,541	9,781	266,745

3. Information by major customer

This information is not presented as there are no customers that account for 10% or more of net sales on the consolidated statement of income among net sales to external customers.

[Information on impairment losses on non-current assets by reportable segment]

Fiscal year ended March 31, 2020 (April 1, 2019 – March 31, 2020)

(Millions of yen)

Japan	North America	Europe	Middle East	Others	Corporate and elimination	Total
524	–	–	–	–	–	524

Fiscal year ended March 31, 2021 (April 1, 2020 – March 31, 2021)

(Millions of yen)

Japan	North America	Europe	Middle East	Others	Corporate and elimination	Total
16,351	–	–	–	–	–	16,351

[Information on amortization and unamortized balance of goodwill by reportable segment]

Fiscal year ended March 31, 2020 (April 1, 2019 – March 31, 2020)

No item to report.

Fiscal year ended March 31, 2021 (April 1, 2020 – March 31, 2021)

No item to report.

[Information on gain on bargain purchase by reportable segment]

Fiscal year ended March 31, 2020 (April 1, 2019 – March 31, 2020)

No item to report.

Fiscal year ended March 31, 2021 (April 1, 2020 – March 31, 2021)

No item to report.

(Per share information)

	Fiscal year ended March 31, 2020 (April 1, 2019 – March 31, 2020)	Fiscal year ended March 31, 2021 (April 1, 2020 – March 31, 2021)
Net assets per share	¥7,046.18	¥7,011.36
Basic earnings (loss) per share	¥469.18	¥(47.73)

- Notes
1. Diluted earnings per share is not presented, since there is no dilutive share.
 2. The Company's shares held by the Board Benefit Trust (BBT) are included in the treasury shares that are deducted from the total number of issued shares at the fiscal year end of the period when calculating net assets per share (77,600 shares in the fiscal year ended March 31, 2021).
Moreover, they are also included in the treasury shares that are deducted when calculating the average number of shares during the period in order to calculate basic earnings (loss) per share (46,021 shares in the fiscal year ended March 31, 2021).
 3. The basis for calculation of basic earnings (loss) per share is as follows:

	Fiscal year ended March 31, 2020 (April 1, 2019 – March 31, 2020)	Fiscal year ended March 31, 2021 (April 1, 2020 – March 31, 2021)
Profit (loss) attributable to owners of parent (Millions of yen)	26,815	(2,725)
Amounts not attributable to common shareholders (Millions of yen)	–	–
Profit (loss) attributable to owners of parent related to common shares (Millions of yen)	26,815	(2,725)
Average number of shares during the period (Thousands of shares)	57,152	57,106

(Significant subsequent events)

Resolution concerning conclusion of sales agreement for interests in the shale gas field of North Montney Area, British Columbia, Canada

The Company resolved, at the meeting of the Board of Directors held on May 13, 2021, to conclude a sales agreement for the Company's consolidated subsidiary JML to transfer all 10% interests in the shale gas field of North Montney Area, British Columbia, Canada owned by JML, along with related assets, to Petronas Energy Canada Ltd. (headquarters: Alberta, Canada), the operator of the field.

In line with the conclusion of the sales agreement, the Company will record an extraordinary loss of approximately C\$493 million (Canadian dollars) due to loss on transfer of interests in the fiscal year ending March 31, 2022.

4. Others

Status of production and sales

1. Production

		Fiscal year ended March 31, 2020 (April 1, 2019 – March 31, 2020)	Fiscal year ended March 31, 2021 (April 1, 2020 – March 31, 2021)
E&P Business	Crude oil (kl)	1,215,690 (913,298)	849,859 (541,855)
	Natural gas (thousand m ³)	1,083,862 (434,194)	1,032,521 (473,685)
	Bitumen (kl)	1,130,169 (1,130,169)	889,315 (889,315)
Infrastructure/ Utility Business	LNG (t)	4,405	3,341
	Electricity (thousand kWh)	3,049	2,543,189

Notes: 1. The figures in parentheses represent overseas production and are included in the total.

2. Part of the natural gas production volume is used as a feedstock for LNG.

3. Bitumen is a type of extra-heavy oil extracted from oil sands.

4. "Electricity," in addition to the solar power plant (mega solar) on the grounds of the Hokkaido District Office, includes the electricity generated by Fukushima Natural Gas Power Plant, which started commercial operations from the fiscal year ended March 31, 2021.

2. Sales

		Fiscal year ended March 31, 2020 (April 1, 2019 – March 31, 2020)		Fiscal year ended March 31, 2021 (April 1, 2020 – March 31, 2021)	
		Sales volume	Net sales (Millions of yen)	Sales volume	Net sales (Millions of yen)
E&P Business	Crude oil (kl)	2,924,245	128,152	2,313,521	72,916
	Diluted bitumen (kl)	1,639,689	45,025	1,319,808	21,695
	Natural gas (overseas) (thousand m ³)	431,147	2,265	470,510	2,870
	Subtotal		175,443		97,482
Infrastruc- ture/Utility Business	Natural gas (Japan) (thousand m ³)	1,268,448	64,965	1,183,102	51,291
	LNG (t)	273,312	19,395	284,216	15,591
	Electricity (thousand kWh)	110,167	974	3,016,755	30,087
	Others		3,353		4,331
	Subtotal		88,688		101,301
Other businesses	Contract Services		15,003		7,633
	Oil products /merchandise		37,502		31,931
	Others		2,184		1,729
	Subtotal		54,690		41,294
Total			318,822		240,078

- Notes:
1. “Crude oil” includes crude oil that the JAPEX Group produces in oil fields and the crude oil purchased from other companies.
 2. Diluted bitumen is bitumen diluted by ultra-light crude oil for pipeline transportation.
 3. “Natural gas (Japan)” of the Infrastructure/Utility Business refers to gas supplied in Japan via pipeline and comprises the total of natural gas produced in Japan and regasified LNG. Natural gas (Japan) is classified under the Infrastructure/Utility Business, since both natural gas produced in Japan and LNG vaporized gas are sold together by the Company’s supply network, which consists of the natural gas fields in Japan and the LNG terminals that vaporize gas linked by a pipeline network.
 4. “Others” of the Infrastructure/Utility Business includes commissioned transportation of natural gas and contracted vaporization of LNG used for power plant fuel.
 5. Under the Other businesses, “Oil products/merchandise” includes liquefied petroleum gas (LPG), fuel oil, gas oil and kerosene, and “Others” includes other subcontracted tasks.
 6. Monetary amounts in the table do not include consumption taxes.