



[Explanatory Material]

Financial Results

for the Six Months Ended September 30, 2022

November 10, 2022

Japan Petroleum Exploration Co., Ltd.

Note: This document has been translated from the Japanese original for reference purposes only.

In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

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Note: This material also serves as the presentation material for the financial results briefing for the institutional investors and analysts to be held on November 11, 2022.

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III . Revised Financial Forecasts for the fiscal year ending March 31, 2023

Financial Highlights

2Q FY3/23 Results (Year-on-Year)

(Billion Yen)	1-2Q FY3/22 (a)	1-2Q FY3/23 (a)	Change
Operating profit	9.5	19.3	+9.7
Ordinary profit	19.3	43.0	+23.7
Profit attributable to owners of parent	(119.6)	31.4	+151.1

- **Operating profit** : Increase due to rise in sales prices of crude oil and natural, etc
- **Ordinary profit** : Increase due to foreign exchange gains and valuation gains on LNG transactions
- **Extraordinary losses** : Increase in profit due to the absence of extraordinary losses (in FY3/22) by ending our participation in two projects in Canada

FY3/23 Forecasts Revision (vs Aug.9 Forecasts)

(Billion Yen)	Previous (f) Aug. 9, 2022	Revised (f) Nov. 10, 2022	Change
Operating profit	39.7	45.2	+5.5
Ordinary profit	50.9	66.9	+15.9
Profit attributable to owners of parent	40.0	53.0	+12.9

- **Operating profit** : Expect to see an increase in profit due to an improvement in the sales of natural gas and electric power
- **Ordinary profit** : Expect to see an increase in foreign exchange gains and a valuation gain on LNG transactions

Shareholders Return

- Revised FY3/23 annual dividends forecasts to 300.0 yen per share (interim 150 yen + year-end 150 yen)
- Share buyback from November 2021 had reached the maximum total amount of 8 billion yen at the end of August, and all of acquired shares were cancelled at the end of September

Major Business Progress in the First Half of FY3/23

E&P Field

[Pursuit of domestic potentials]

- Adopted to an operator of a joint study for acid stimulation in Onnagawa tight oil formation as a publicly solicited projects by JOGMEC in Apr.
- Started additional development work of Katakai gas field in Niigata in Jul.

[Acquisition of new overseas interests]

- Decided to expand our investment for tight oil businesses in the United States in May.

I/U Field

[Development of domestic renewable energy]

- Started the construction of investing biomass power plants of Ozu Biomass Power Plant at Ehime in Jun., Chofu Biomass Power Plant at Yamaguchi in Jul., Tahara Biomass Power Plant at Aichi in Sep.
- Commenced commercial operation of Abashiri Biomass No.2 Power Plant at Hokkaido in Oct. *No. 3 is under construction

[LNG transport and supply]

- Held a trial of truck to ship method of LNG Bunkering operation at Tomakomai Port at Hokkaido in Sep.

CN Field

[Feasibility studies]

- Commissioned a feasibility study of a hub and cluster type CCUS project at the Niigata East Port area in May.
- Newly Joined JGC CORPORATION and Kawasaki Kisen Kaisha, Ltd. to a joint feasibility study for CCS in Malaysia with Petronas in Jul.

[Others]

- Joined as a member of "CCS Project Cost and Implementation Scheme Study WG" in "CCS Long-term Roadmap Study Committee" organized by Ministry of Economy, Trade and Industry (METI)
- Joined "Global CCS Institute," the world's leading CCS think tank in May.
- Participated in "CCS+ Initiative," the an international platform aiming to scale-up CCS projects in Jun.

ESG-related Initiatives in the First Half of FY3/23

[Published the Integrated Report 2022 (Sep. in Japanese / Oct. in English)]



https://www.japex.co.jp/en/ir/uploads/pdf/JAPEX_IR2022_e.pdf

(Highlights)

- **Climate change response**
 - GHG emissions intensity* of JAPEX operations in FY2021 was 3.2 tons-CO₂/TJ (19% reduction from FY2019)
*Target set in “JAPEX2050:Toward a Carbon-Neutral Society” formulated in May 2021 is to reduce emission intensity by 40% in FY2030 compared to FY2019.
- **Governance**
 - Contains a skills matrix of directors and auditors and a roundtable discussion with outside directors on the topic of board effectiveness.

S (Society)

【Human Capital Management】

- Implemented "Comeback Recruitment" program for our alumni in Jul.
 - Adopted a registration system for ex-employees for receiving “comeback offer”.
- Decided to expand the incentive plan for employee stock ownership in Sep.
 - Expecting for our employees to work their each business and other works with our management while keeping a shareholder perspective.

G (Governance)

【Strengthen of the management structure】

- Increased the ratio of outside directors and female directors on the Board of Directors in Jun.
 - In the eleven directors elected at the Ordinary General Meeting of Shareholders in June: 5 of outside (increased one director from four in the previous year) and 2 of female (increased one director from one in the previous year).

【Expansion of shareholders return】

- Completed repurchase of shares in Aug. and cancelled all repurchased shares in Sep.

Progress on Targets and Fund Allocation for FY3/23

Quantitative Targets and Fund Allocation Policies in JAPEX Management Plan 2022-2030

- Set the quantitative targets, including **long-term to be achieved by FY2030** and **interim by FY2026**.
- To allocate **450 billion yen** to investment in growth and **50 billion yen to shareholder** returns, from 500 billion yen accumulating 500 billion yen in cash inflows until FY2030

Quantitative target

Items	2Q FY3/23	FY3/23Forecasts	Medium-to Long-term Targets*
Business Profit	25.9 billion yen	51.3 billion yen	FY2026 30 billion yen FY2030 50 billion yen
ROE	N/A	N/A	FY2026 5% FY2030 8%
Profit Composition (E&P : non-E&Ps)	9 : 1	9 : 1	FY2026 6 : 4 FY2030 5 : 5

Fund Allocation

Items	2Q FY3/23	FY3/23Forecasts	Assumed allocation*1
Growth Investments	14.9 billion yen	42.9 billion yen +New	FY2026 275 billion yen FY2030 450 billion yen
Shareholder Returns	5.6 billion yen*2	13.8 billion yen*3	FY2026 25 billion yen FY2030 50 billion yen

*1 Five-year cumulative total from FY2022 through FY2026 and nine-year cumulative total through FY2030, *2 FY 3/22 dividend + share buyback ,

*3 FY3/22 dividend + share buyback + FY3/23 interim dividend

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FY3/23 Results (Year-on-Year)

Million Yen	1-2Q FY3/22 (a)	1-2Q FY3/23 (a)	Change	
Net sales	118,507	120,708	+2,200	+2%
Gross profit	25,784	33,980	+8,195	+32%
Operating profit	9,540	19,304	+9,764	+102%
Ordinary profit	19,349	43,084	+23,734	+123%
Profit attributable to owners of parent	(119,676)	31,430	+151,106	-%

Oil Price, Exchange Rate and Sales Price

		1-2Q FY3/22 (a)	1-2Q FY3/23 (a)	Change
WTI	USD/bbl	62.21	101.53	+39.32
Crude oil price (CIF)	USD/bbl	67.38	107.25	+39.87
Exchange rate	JPY/USD	109.15	127.44	+18.29

E&P Business (Year-on-Year)

Net sales : Million Yen		1-2Q FY3/22 (a)		1-2Q FY3/23 (a)		Change			
		Sales volume	Net sales	Sales volume	Net sales	Sales volume	Net sales		
E&P Business	-	-	49,820	-	14,142	-	-	(35,678)	(72%)

Breakdown

Crude oil	Thousand KL	345	17,494	141	14,101	(203)	(59%)	(3,392)	(19%)
Crude oil - Japan		154	7,465	116	10,495	(38)	(25%)	[1] +3,029	+41%
Crude oil - Overseas* ¹		176	9,358	14	2,651	[2] (161)	(92%)	(6,706)	(72%)
Purchased crude oil		13	671	10	955	(3)	(23%)	+283	+42%
Diluted bitumen* ²		959	31,121	-	-	[3] (959)	-	(31,121)	-
Natural Gas - Overseas* ³	Million M3	128	1,204	1	40	[4] (127)	(99%)	(1,164)	(97%)

Main factors for change

- [1] Increase in sales price
- [2] Decrease in sales volume of crude oil from Garraf Oil Field in Iraq
- [3] Absence of sales volume of diluted bitumen from the Hangingstone Lease in Canada
- [4] Decrease in sales volume due to the interests transfer of the shale gas project in Canada

*1 FY3/22 includes the amounts of 3 overseas subsidiaries (Japex Garraf Ltd., JAPEX Montney Ltd. and Japex (U.S.) Corp.) and FY3/23 includes the amounts of 2 overseas subsidiaries (Japex Garraf Ltd., and Japex (U.S.) Corp.)

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

*3 FY3/22 includes the volume of 2 overseas subsidiaries (JAPEX Montney Ltd., and Japex (U.S.) Corp.) and FY3/23 includes the volume of Japex (U.S.) Corp.

I/U Business Sales (Year-on-Year)

Net sales : Million Yen		1-2Q FY3/22 (a)		1-2Q FY3/23 (a)		Change			
		Sales volume	Net sales	Sales volume	Net sales	Sales volume		Net sales	
Infrastructure & Utility Business	-	-	46,382	-	76,779	-	-	+30,397	+66%

Breakdown

Natural Gas - Japan	Million M3	455	21,238	446	35,966	(9)	(2%)	[1] +14,728	+69%
- Produced in Japan		233	-	211	-	(21)	(9%)	-	-
LNG	Thousand Ton	96	8,186	94	13,486	(2)	(3%)	[2] +5,300	+65%
Electricity	Million kWh	1,605	14,998	1,452	25,251	(152)	(10%)	[3] +10,253	+68%
Other*	-	-	1,960	-	2,074	-	-	+114	+6%

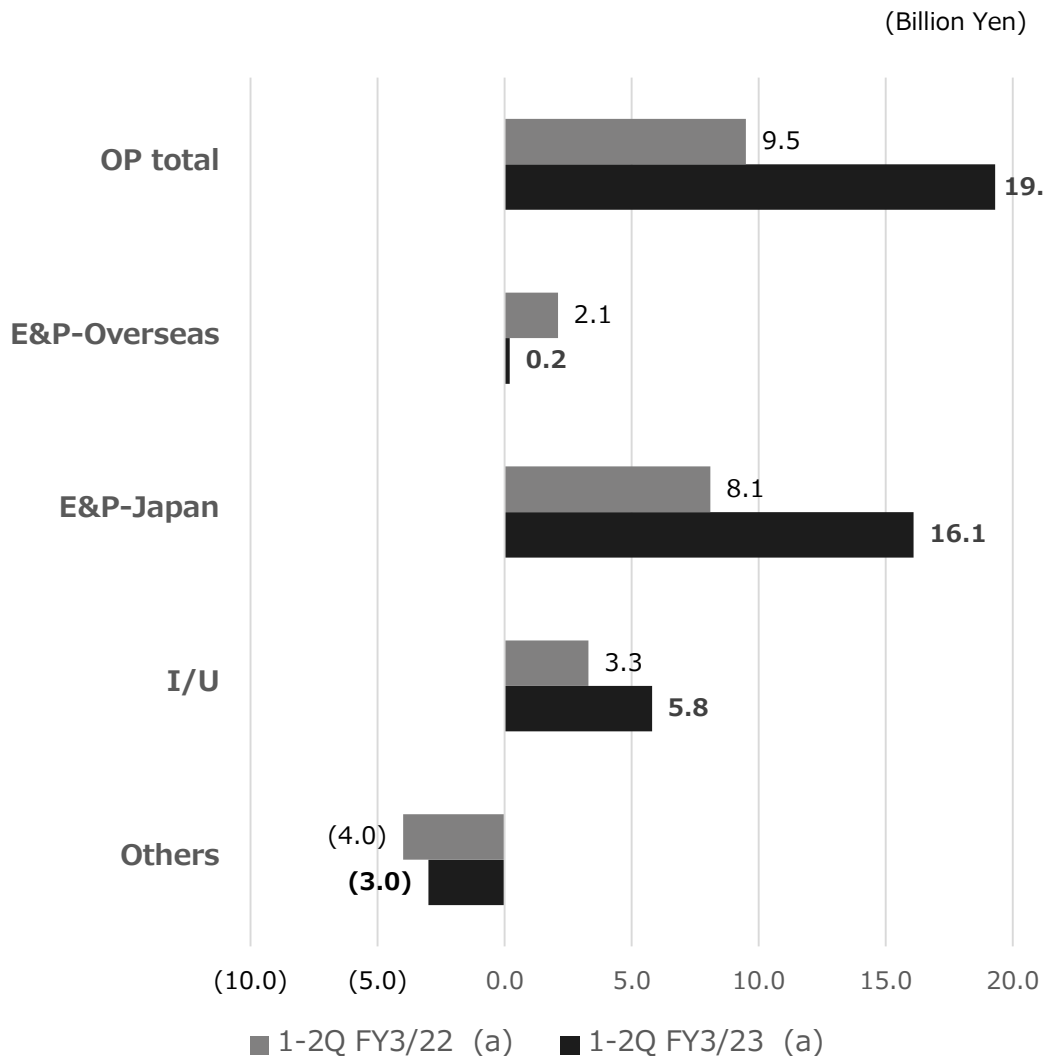
Main factors for change

[1]-[2] Increase in sales price of domestic natural gas and LNG due to soaring JLC price

[3] Increase in sales price

* Including net sales from commissioned regasification of LNG

Operating Profit (Year-on-Year)



E&P Business

Overseas : (1.8 bn.) 2.1 bn. → 0.2 bn.

- Absence of sales volume of diluted bitumen

Domestic : +8.0 bn. 8.1 bn. → 16.1 bn.

- Increase in sales price of crude oil (Japan) due to a rise of crude oil prices
- Increase in sales price* of natural gas (Japan) due to a rise of JLC price

* Internal transaction price from E&P Business to Infrastructure/Utilities Business for the internal control

I/U Business

+2.5 bn. 3.3 bn. → 5.8 bn.

- Increase in marginal gain on LNG procurement

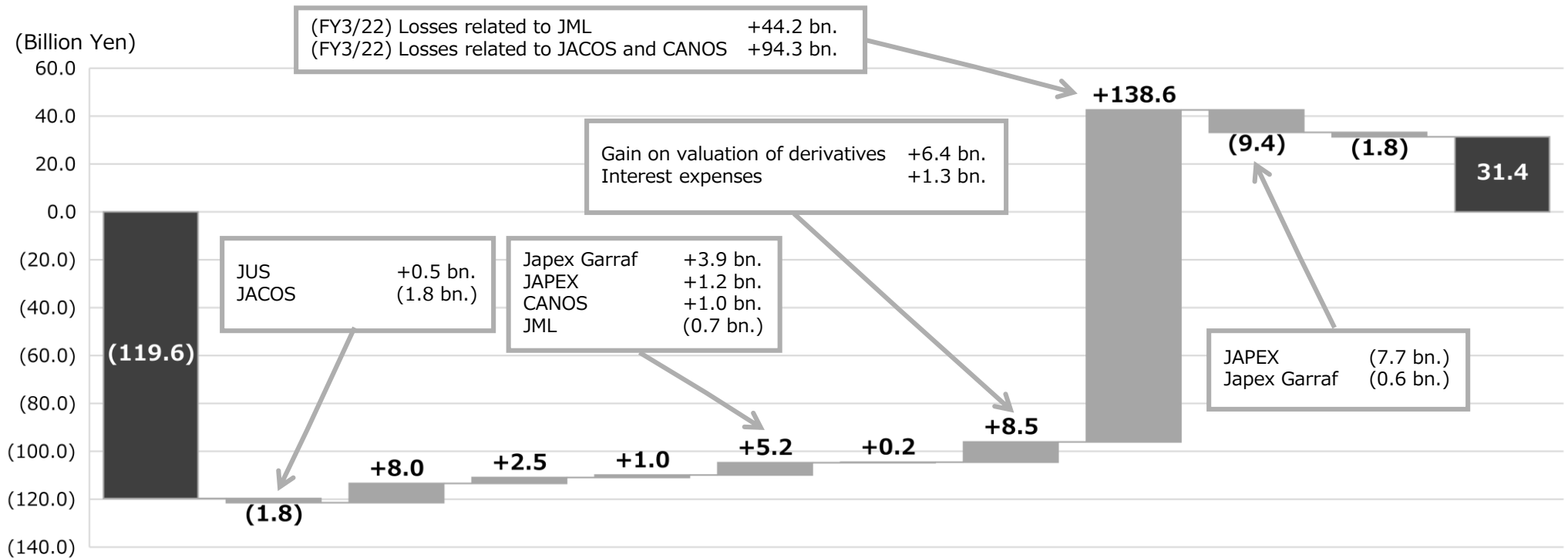
Others *

+1.0 bn. (4.0 bn.) → (3.0 bn.)

- * Operating income (contracting, oil products and commodities, and others) not belonging to the above business units, less headquarters administrative expenses

Note) The amounts in the operating income breakdown by business segment are the figures for the Group's internal management

Analysis of Net Income change (Year-on-Year)



Net income	Operating profit* +9.7 bn.				Non-operating income +13.9 bn.			Extraordinary income	Income taxes	Profit attributable to non-controlling interest	Net income FY3/23 1-2Q (a)
	FY3/22 1-2Q (a)	E&P overseas	E&P Japan	I/U	Others	Foreign exchange gains and loss	Equity on earnings				
FY3/22 1-2Q (a)	(119.6)	2.1	8.1	3.3	(4.0)	3.9	6.4	(0.6)	(138.6)	(0.4)	0.8
FY3/23 1-2Q (a)	31.4	0.2	16.1	5.8	(3.0)	9.1	6.6	7.9	(0.0)	8.9	2.6

Note) The amounts in the operating income breakdown by business segment are the figures for the Group's internal management

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FY3/23 Forecasts (vs Aug. 9 Forecasts)

Million Yen	Previous (f) Aug. 9, 2021	Revised (f) Nov. 10, 2022	Change	
Net sales	275,755	304,563	+28,807	+10%
Gross profit	69,575	77,174	+7,599	+11%
Operating profit	39,705	45,242	+5,536	+14%
Ordinary profit	50,988	66,951	+15,962	+31%
Profit attributable to owners of parent	40,007	53,000	+12,992	+32%

Oil Price and Exchange Rate

		Previous (f) Aug. 9, 2021	Revised (f) Nov. 10, 2022	Change
WTI	USD/bbl	97.05	94.33	(2.72)
Crude oil price (CIF)	USD/bbl	95.64	93.04	(2.60)
Exchange rate	JPY/USD	120.75	128.59	+7.84

E&P Business Sales Forecasts (vs Aug. 9 Forecasts)

Net sales : Million Yen		Previous (f) Aug. 9, 2022		Revised (f) Nov. 10, 2022		Change			
		Sales volume	Net sales	Sales volume	Net sales	Sales volume		Net sales	
E&P Business	-	-	52,241	-	51,167	-	-	(1,073)	(2%)

Breakdown

Crude oil	Thousand KL	697	51,981	703	50,853	+5	+1%	(1,127)	(2%)
Crude oil - Japan		242	18,378	242	19,250	+0	+0%	[1] +872	+5%
Crude oil - overseas ^{*1}		432	31,869	439	29,896	+7	+2%	[2] (1,973)	(6%)
Purchased crude oil		23	1,733	20	1,706	(2)	(9%)	(26)	(2%)
Natural Gas - Overseas ^{*2}	Million M3	12	260	13	314	+0	+8%	+54	+21%

Main factors for change

[1] Increase in sales price (July to September)

[2] Decrease in sales price due to revision of crude oil price (CIF) price assumptions from Garraf Oil Field in Iraq

*1 Includes the amounts of 2 overseas subsidiaries (Japex Garraf Ltd., and Japex (U.S.) Corp.)

*2 Includes the volume of Japex (U.S.) Corp.

I/U Business Sales Forecasts (vs Aug. 9 Forecasts)

Net sales : Million Yen		Previous (f) Aug. 9, 2022		Revised (f) Nov. 10, 2022		Change			
		Sales volume	Net sales	Sales volume	Net sales	Sales volume		Net sales	
Infrastructure & Utility Business	-	-	163,388	-	191,034	-	-	+27,646	+17%

Breakdown

Natural Gas - Japan	Million M3	1,008	77,744	1,012	89,894	+3	+0%	[1]	+12,149	+16%
- Produced in Japan		483	-	483	-	(0)	(0%)		-	-
LNG	Thousand Ton	358	35,729	349	41,804	(8)	(2%)	[2]	+6,074	+17%
Electricity	Million kWh	2,900	44,664	3,031	53,304	+130	+4%	[3]	+8,639	+19%
Others*	-	-	5,249	-	6,032	-	-		+782	+15%

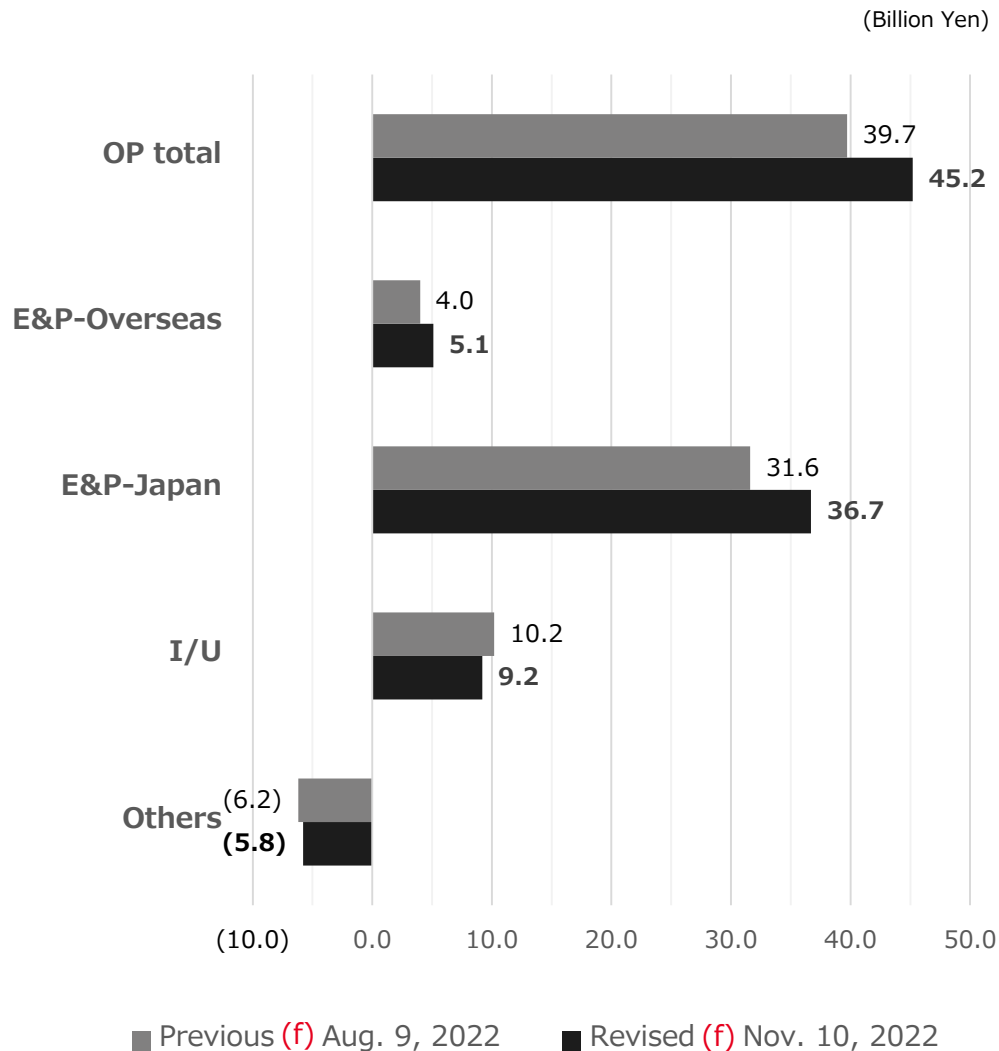
Main factors for change

[1]-[2] Increase in sales price of domestic natural gas and LNG due to soaring JLC price

[3] Increase in sales price

* Including net sales from commissioned regasification of LNG

Operating Profit Forecasts



E&P Business

Overseas : +1.0 bn. 4.0 bn. → 5.1 bn.
 • Increased in production remuneration from Iraq's Gharaf oil field, etc.

Domestic : +5.1 bn. 31.6 bn. → 36.7 bn.
 • Increase in sales price* of natural gas (Japan) due to a rise of JLC price

* Internal transaction price from E&P Business to Infrastructure/Utilities Business for the internal control

I/U Business

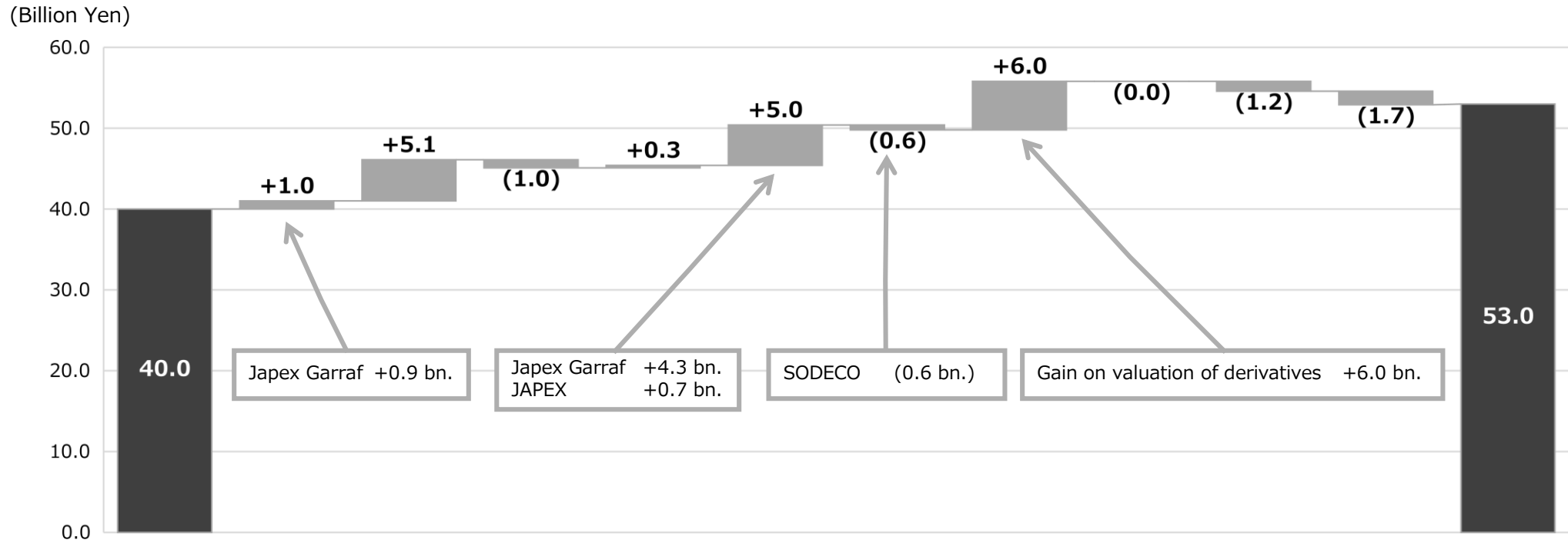
(1.0 bn.) 10.2 bn. → 9.2 bn.
 • Increase in marginal gain on LNG procurement due to a rise of JLC price
 • Additional cost (5 billion yen) prepared for the possibility of LNG spot procurement

Others*

+0.3 bn. (6.2 bn.) → (5.8 bn.)
 * Operating income (contracting, oil products and commodities, and others) not belonging to the above business units, less headquarters administrative expenses

Note) The amounts in the operating income breakdown by business segment are the figures for the Group's internal management

Analysis of Change in Net Income Forecasts



FY3/23 (f) Aug. 9	Operating profit* +5.5 bn.				Non-operating income +10.4 bn.			Extraordinary income	Income taxes	Profit attributable to non- controlling interest	FY3/22 (f) Nov. 10
	E&P overseas	E&P Japan	I/U	Others	Foreign exchange gains and loss	Equity on earnings	Others				
FY3/23 (f) Aug. 9	4.0	31.6	10.2	(6.2)	1.0	7.0	3.2	(0.0)	9.8	1.1	
FY3/23 (f) Nov. 10	5.1	36.7	9.2	(5.8)	6.0	6.3	9.2	(0.0)	11.0	2.8	

Note) The amounts in the operating income breakdown by business segment are the figures for the Group's internal management

FY3/23 Forecasts

Million Yen	FY3/22 (a)	FY3/23 Revised (f)	Change	
Net sales	249,140	304,563	+55,422	+22%
Gross profit	49,903	77,174	+27,271	+55%
Operating profit	19,809	45,242	+25,432	+128%
Ordinary profit	43,674	66,951	+23,277	+53%
Profit (loss) attributable to owners of parent	(30,988)	53,000	+83,988	-

Oil Price and Exchange Rate

		FY3/22 (a)	FY3/23 Revised (f)	Change
WTI*	USD/bbl	64.06	94.33	+30.27
Crude oil price (CIF)	USD/bbl	73.28	93.04	+19.76
Exchange rate	JPY/USD	111.20	128.59	+17.39

*FY3/22 is the WTI average for JACOS's diluted bitumen sales (8 months from January to August 2021)

E&P Business Sales Forecasts

Net sales : Million Yen		FY3/22 (a)		FY3/23 Revised (f)		Change			
		Sales volume	Net sales	Sales volume	Net sales	Sales volume		Net sales	
E&P Business	-	-	73,422	-	51,167	-	-	(22,254)	(30%)

Breakdown

Crude oil		669	41,056	703	50,853	+33	+5%	+9,796	+24%
Crude oil - Japan	Thousand KL	286	15,570	242	19,250	(44)	(15%)	[1] +3,680	+24%
Crude oil - overseas ^{*1}		357	24,105	439	29,896	[2] +82	+23%	+5,791	+24%
Purchased crude oil		25	1,381	20	1,706	(4)	(18%)	+325	+24%
Diluted bitumen ^{*2}		959	31,121	-	-	[3] (959)	-	(31,121)	-
Natural Gas - Overseas ^{*3}	Million M3	130	1,244	13	314	[4] (116)	(90%)	(929)	(75%)

Main factors for change

[1] Increase in sales price

[2] Increase in sales volume and sales price of tight oil in United States

[3] Absence of sales volume of diluted bitumen due to the interests transfer of the Hangingstone Lease in Canada

[4] Decrease in sales volume due to the interests transfer of the Canadian shale gas project

*1 FY3/22 includes the amounts of 3 overseas subsidiaries (Japex Garraf Ltd., JAPEX Montney Ltd. and Japex (U.S.) Corp.) and FY3/23 includes the amounts of 2 overseas subsidiaries (Japex Garraf Ltd., and Japex (U.S.) Corp.)

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

*3 FY3/22 includes the volume of 2 overseas subsidiaries (JAPEX Montney Ltd., and Japex (U.S.) Corp.) and FY3/23 includes the volume of Japex (U.S.) Corp.

I/U Business Sales Forecasts

Net sales : Million Yen		FY3/22 (a)		FY3/23 Revised (f)		Change			
		Sales volume	Net sales	Sales volume	Net sales	Sales volume		Net sales	
Infrastructure & Utility Business	-	-	119,845	-	191,034	-	-	+71,189	+59%

Breakdown

Natural Gas - Japan	Million M3	1,061	58,024	1,012	89,894	(49)	(5%)	[1]	+31,869	+55%
- Produced in Japan		527	-	483	-	(43)	(8%)		-	-
LNG	Thousand Ton	295	22,596	349	41,804	[2]	+53	+18%	+19,208	+85%
Electricity	Million kWh	3,023	34,320	3,031	53,304	+7	+0%	[3]	+18,983	+55%
Others*	-	-	4,903	-	6,032	-	-		+1,128	+23%

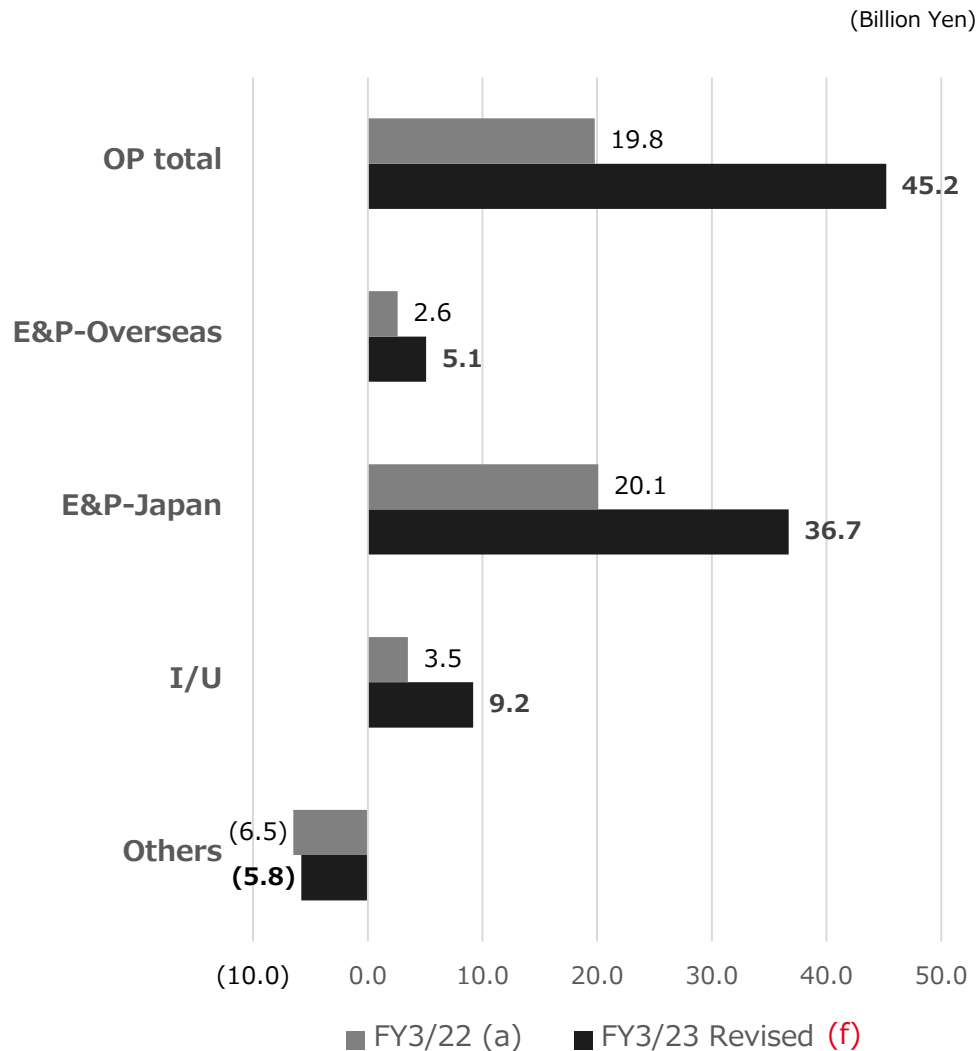
Main factors for change

[1]-[2] Increase in sales price of domestic natural gas and LNG due to soaring JLC price ,and increase in sales volume of LNG

[3] Increase in sales price

* Including net sales from commissioned regasification of LNG

Operating Profit Forecasts



E&P Business

Overseas : +2.4 bn. 2.6 bn. → 5.1 bn.

- Increase in sales volume of tight oil in United States
- Absence of sales volume of diluted bitumen

Domestic : +16.6 bn. 20.1 bn. → 36.7 bn.

- Increase in sales price of crude oil (Japan) due to a rise of crude oil prices
- Increase in sales price* of natural gas (Japan) due to a rise of JLC price

* Internal transaction price from E&P Business to Infrastructure/Utilities Business for the internal control

I/U Business

+5.7 bn. 3.5 bn. → 9.2 bn.

- Increase in marginal gain on LNG procurement, etc.
 - ✓ Absence of temporary factor (Increase in the cost due to an alternative LNG cargo procurement from the LNG spot market)
 - ✓ Additional cost (5 billion yen) prepared for the possibility of LNG spot procurement

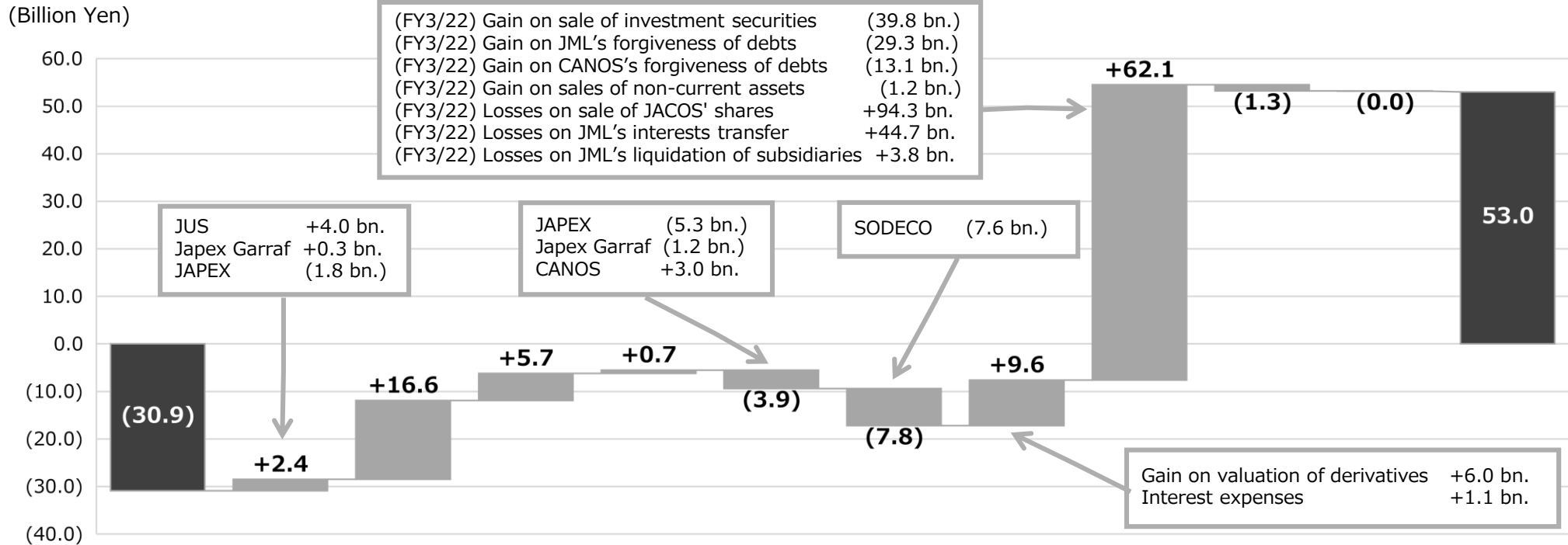
Others*

+0.7 bn. (6.5 bn.) → (5.8 bn.)

* Operating income (contracting, oil products and commodities, and others) not belonging to the above business units, less headquarters administrative expenses

Note) The amounts in the operating income breakdown by business segment are the figures for the Group's internal management

Analysis of Change in Net Income Forecasts



FY3/22 (a)	Operating profit* +25.4 bn.				Non-operating income (2.1 bn.)			Extraordinary income	Income taxes	Profit attributable to non-controlling interest	FY3/23 Revised (f)
	Net income	E&P overseas	E&P Japan	I/U	Others	Foreign exchange gains and loss	Equity on earnings				
FY3/22 (a)	(30.9)	2.6	20.1	3.5	(6.5)	10.0	14.2	(0.3)	(62.1)	9.6	2.8
FY3/23 Revised (f)	53.0	5.1	36.7	9.2	(5.8)	6.0	6.3	9.2	(0.0)	11.0	2.8

Note) The amounts in the operating income breakdown by business segment are the figures for the Group's internal management

Balance sheet

Million yen	As of Mar. 31, 2022(a)	As of Sep. 30, 2022(a)	Change
Current assets	226,920	237,804	+10,884
Non-current assets	245,021	272,144	+27,123
Property, plant and equipment	92,837	104,084	+11,246
Investment securities	108,910	108,750	(160)
Recoverable accounts	16,019	29,677	+13,657
other	27,252	29,632	+2,379
Total assets	471,941	509,949	+38,007
Current liabilities	25,241	35,222	+9,980
Non-current liabilities	43,929	42,895	(1,034)
Total net assets	402,770	431,832	+29,061
Valuation difference on available-for-sale securities	48,346	44,963	(3,382)
Non-controlling interests	31,131	33,617	+2,485
Total liabilities and net assets	471,941	509,949	+38,007

Capital investment of tight oil development in U.S. and Seagull project in U.K. North Sea, etc.

Increase in Income taxes payable, etc

Recording of profit and increase in foreign currency translation adjustment
Decrease due to dividend payment and share repurchase

Cash Flows and Debt

Million Yen	FY3/22 (a)	FY3/23 (a)	FY3/22 (a)	FY3/23 (f)	
	1-2Q	1-2Q	Full year	Full year	
				Aug.9	Nov.10
Cash flows from operating activities	(7,558)	42,806	(1,052)	81,582	86,200
Depreciation	11,831	5,497	17,721	13,262	13,351
Recovery of recoverable accounts	6,289	-	17,780	21,539	18,286
Cash flows from investing activities	(625)	(22,080)	52,067	(60,870)	(56,130)
Purchase of property, plant and equipment	(8,310)	(14,735)	(16,278)	(42,069)	(39,850)
Payments of recoverable accounts	(12,401)	(13,657)	(23,244)	(33,197)	(32,252)
Cash flows from financing activities	(54,201)	(5,985)	(70,939)	(12,069)	(14,526)
Cash and cash equivalents at end of period	98,263	168,384	144,513	153,156	160,056

Interest-bearing debt* ¹	-	-	6,156	10,457	10,457
EBITDA* ²	-	-	57,391	65,723	70,914
Debt-to-EBITDA ratio	-	-	0.1	0.1	0.1

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

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

Appendix

- 1. Net Sales**
- 2. Financial Results**
- 3. Segment Profit**
- 4. Price Assumptions for FY3/23 Forecasts**
- 5. Sensitivities Analysis on FY3/23 Forecasts Basis**
- 6. Business Overview**
- 7. Integrated Report and IR Materials**
- 8. Glossary**

1. Net Sales - E&P

	Million Yen	FY3/22 (a)				FY3/23				
		1Q	2Q	1-2Q	Full year	1Q	2Q	1-2Q	Full year (f)	
									8.9	11.10
Sales		16,796	33,024	49,820	73,422	7,266	6,876	14,142	52,241	51,167
Sales volume of Crude oil (Thousand KL)		114	230	345	669	79	62	141	697	703
Net sales		5,556	11,938	17,494	41,056	7,251	6,850	14,101	51,981	50,853
Sales volume of Crude oil - Japan (Thousand KL)		85	69	154	286	67	49	116	242	242
Net sales		3,927	3,537	7,465	15,570	5,640	4,855	10,495	18,378	19,250
Sales volume of Crude oil - overseas *1 (Thousand KL)		22	154	176	357	7	7	14	432	439
Net sales		1,312	8,045	9,358	24,105	1,192	1,458	2,651	31,869	29,896
Sales volume of Purchased crude oil (Thousand KL)		6	6	13	25	5	5	10	23	20
Net sales		316	354	671	1,381	418	536	955	1,733	1,706
Sales volume of Diluted bitumen (Thousand KL)		351	608	959	959	-	-	-	-	-
Net sales *2		10,058	21,063	31,121	31,121	-	-	-	-	-
Sales volume of Natural gas -overseas *3 (Million M3)		128	0	128	130	0	0	1	12	13
Net sales		1,181	22	1,204	1,244	14	25	40	260	314
WTI (USD/bbl)		58.10	66.07	62.21	64.06	94.41	108.65	101.53	97.05	94.33
Crude oil price (CIF) (USD/bbl) *4		64.25	71.31	67.38	73.28	101.55	115.31	107.25	95.64	93.04
Exchange rate (JPY/USD) *4		108.43	109.96	109.15	111.20	122.50	133.58	127.44	120.75	128.59
Diluted bitumen *2 (USD/bbl)		40.99	49.75	46.90	46.90	-	-	-	-	-
JML natural gas *5 (CAD/mcf)		2.96	-	2.96	2.96	-	-	-	-	-

*1 FY3/22 include the amounts of 3 overseas subsidiaries (Japex Garraf Ltd., JAPEX Montney Ltd. and Japex (U.S.) Corp.), FY3/23 includes the amounts of 2 overseas subsidiaries (Japex Garraf Ltd., and Japex (U.S.) Corp.)

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

*3 FY3/22 include the volume of 2 overseas subsidiaries (JAPEX Montney Ltd., and Japex (U.S.) Corp.), FY3/23 includes the volume of Japex (U.S.) Corp.

*4 Domestic sales price average of crude oil referring to crude oil (CIF) price and its conversion exchange rate

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

1. Net Sales - I/U

	Million Yen	FY3/22 (a)				FY3/23				
		1Q	2Q	1-2Q	Full year	1Q	2Q	1-2Q	Full year (f)	
									8.9	11.10
Sales		23,009	23,372	46,382	119,845	36,009	40,770	76,779	163,388	191,034
Sales volume of Natural gas – Japan (Million M3)		233	222	455	1,061	231	214	446	1,008	1,012
Net sales		10,709	10,529	21,238	58,024	17,923	18,043	35,966	77,744	89,894
Sales volume of Natural gas produced in Japan (Million M3)		123	109	233	527	109	101	211	483	483
Sales volume of LNG (Thousand ton)		52	44	96	295	49	44	94	358	349
Net sales		4,397	3,788	8,186	22,596	6,062	7,424	13,486	35,729	41,804
Sales volume of Electricity (Million kWh)		765	840	1,605	3,023	665	787	1,452	2,900	3,031
Net sales		7,163	7,834	14,998	34,320	10,986	14,265	25,251	44,664	53,304
Others*		739	1,220	1,960	4,903	1,037	1,037	2,074	5,249	6,032

* Including the revenue from contracted transportation of natural gas and commissioned regasification of LNG

2. Financial Results

Million Yen	FY3/22 (a)				FY3/23				
	1Q	2Q	1-2Q	Full year	1Q	2Q	1-2Q	Full year (f)	
								8.9	11.10
Net sales	50,083	68,424	118,507	249,140	58,617	62,091	120,708	275,755	304,563
E&P Business	16,796	33,024	49,820	73,422	7,266	6,876	14,142	52,241	51,167
Infrastructure/Utility Business	23,009	23,372	46,382	119,845	36,009	40,770	76,779	163,388	191,034
Others	10,277	12,026	22,303	55,872	15,341	14,444	29,786	60,126	62,360
Cost of sales	38,904	53,818	92,722	199,237	41,920	44,807	86,727	206,180	227,388
Gross profit	11,179	14,605	25,784	49,903	16,696	17,283	33,980	69,575	77,174
Exploration expenses	132	120	252	359	97	1,042	1,140	1,375	3,057
SG&A expenses	7,647	8,344	15,991	29,734	6,788	6,746	13,535	28,494	28,875
Operating profit	3,400	6,140	9,540	19,809	9,810	9,494	19,304	39,705	45,242
Non-operation income	7,091	2,718	9,809	23,864	12,789	10,989	23,779	11,283	21,709
Interest income	37	50	87	266	149	257	406	702	775
Interest expenses	(322)	(982)	(1,305)	(1,187)	(1)	(1)	(2)	(6)	(28)
Dividend income	48	2,138	2,186	4,049	47	1,603	1,651	3,173	3,510
Share of profit of entities accounted for using equity method	3,549	2,921	6,470	14,226	5,988	696	6,684	7,046	6,348
Provision for overseas investment	92	85	177	66	-	0	0	(83)	(83)
Foreign exchange gains and loss	3,851	89	3,941	10,002	6,748	2,428	9,176	1,024	6,086
Other	(165)	(1,584)	(1,750)	(3,559)	(142)	6,004	5,861	(572)	5,100
Ordinary profit	10,491	8,858	19,349	43,674	22,600	20,483	43,084	50,988	66,951
Extraordinary income	(1)	(138,663)	(138,665)	(62,175)	(1)	(14)	(15)	(54)	(71)
Profit before income taxes	10,489	(129,805)	(119,315)	(18,501)	22,598	20,469	43,068	50,934	66,880
Income taxes	2,832	(3,316)	(484)	9,652	5,304	3,665	8,970	9,817	11,026
Profit attributable to non-controlling interests	550	294	844	2,835	1,653	1,013	2,667	1,108	2,853
Profit (loss) attributable to owners of parent	7,106	(126,782)	(119,676)	(30,988)	15,640	15,790	31,430	40,007	53,000

3. Segment Profit

Million Yen		FY3/22 (a)				FY3/23 (f)				
		1Q	2Q	1-2Q	Full year	1Q	2Q	1-2Q	Full year	
									8.9	11.10
Japan	Operating profit	6,122	4,811	10,934	24,739	11,472	11,215	22,688	43,812	48,557
	Share of profit (loss) of entities accounted for using equity method	19	103	123	(47)	291	24	315	363	509
North America	Operating profit (loss)	(1,146)	2,883	1,737	1,789	227	320	548	4,181	4,206
	Share of profit of entities accounted for using equity method	-	-	-	-	-	-	-	-	-
Europe	Operating loss	(47)	(34)	(81)	(151)	(33)	(55)	(88)	(195)	(187)
	Share of profit of entities accounted for using equity method	-	-	-	-	-	-	-	-	-
Middle East	Operating profit	537	676	1,214	2,644	522	611	1,134	1,978	2,952
	Share of loss of entities accounted for using equity method	(3)	(2)	(6)	(13)	(3)	(3)	(6)	(27)	(28)
Others* ¹	Operating profit	-	-	-	-	-	-	-	-	-
	Share of profit of entities accounted for using equity method	3,534	2,820	6,354	14,287	5,699	675	6,375	6,710	5,868
Adjustments and Eliminations* ²		(2,066)	(2,198)	(4,264)	(9,213)	(2,378)	(2,598)	(4,977)	(10,070)	(10,286)
Amounts on consolidated statement of income* ³		3,400	6,140	9,540	19,809	9,810	9,494	19,304	39,705	45,242

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

*2 Mainly intersegment elimination and corporate expense.

Furthermore, Corporate expense represents mainly general and administrative expenses and experiment and research expense that are not allocated to reporting segments.

*3 Segment profit (loss) is reconciled to operating profit in the consolidated statements of income.

4. Price Assumptions for FY3/23 Forecasts

Market Price			Upper: from January 2021 to March 2022					Full year
			Lower: from January 2022 to March 2023					
			Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	
Crude oil price (CIF) *3	USD/bbl	2021 (a)	-	64.25	71.31	77.30	82.70	73.28
		Revised (f) Nov.10	-	101.55 *1	115.31 *1	80.00	80.00	93.04
WTI*2	USD/bbl	2021 (a)	58.10	66.07	69.85	-	-	64.06
		Revised (f) Nov.10	94.41 *1	108.65 *1	94.26 *1	80.00	-	94.33
JLC price	JPY/Ton	2021 (a)	-	47,544	58,141	79,284	88,184	68,288
		Revised (f) Nov.10	-	101,863 *1	122,182	105,700	85,867	103,903
Exchange rate*3	JPY/USD	2021 (a)	-	108.43	109.96	111.69	114.52	111.20
		Revised (f) Nov.10	-	122.50 *1	133.58 *1	130.00	130.00	128.59

*1 Actual

*2 FY3/22 is the WTI average for JACOS's diluted bitumen sales (8 months from January to August 2021)

*3 Domestic sales price average of crude oil referring to crude oil (CIF) price and its conversion exchange rate

5. Sensitivities Analysis on FY3/23 Forecasts Basis

	FY3/23 2Q-4Q Assumptions	Fluctuation	Impacts on profit (Million Yen)		Main factors for change positive factor “+” / negative factor “()”
			Operating profit	Profit attributable to owners of parent	
Crude oil price	WTI 3Q : USD 94.26/bbl 4Q : USD 80.00/bbl Crude oil price (CIF) 3Q-4Q : USD 80.00/bbl	Increase by 1USD/bbl	100	70	+ Sales of oil and gas (Increase in LNG procurement cost)
Exchange rate	JPY 130.00/USD	1 weaker JPY against USD	250	140	+ Sales of oil and gas (Increase in LNG procurement cost)

【Assumptions】

- 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 may occur.
- Actual profits are influenced by various other factors besides crude oil prices and exchange rates.

6. Business Overview ① 2Q of FY3/23 and onwards

E&P Field

- Japan: Producing oil and gas at 10 fields in Hokkaido, Akita, Yamagata, and Niigata / considering measures to increase production at existing fields
 - Proceeding an additional development around Katakai oil and gas field in Niigata
 - Considering measures for carbon neutrality including reduction of GHG emissions from field operations, investigation of CO₂ storage capacity
 - Overseas: Participating in the projects of crude oil and natural gas development / Considering new interests acquisition
- ✓ Started drilling the 1st well for additional development work of Katakai gas field in Niigata in Jul.
 ※ Production of the first well is scheduled to begin in the second half of 2023, and the second well drilling is scheduled in mid-2023 or later.
- ✓ (Under development) UK North Sea Seagull Project (scheduled to start production in the first half of 2023), Iraq Garraf oil field (in progress of development work).

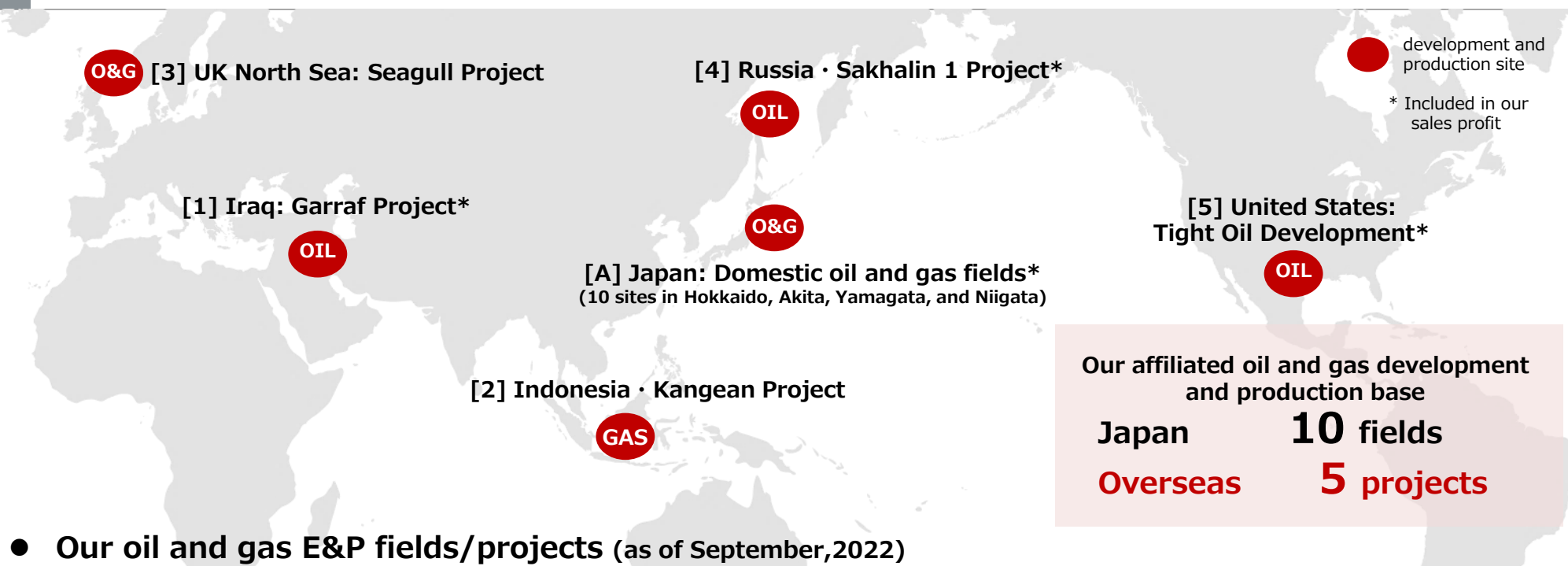
I/U Field

- Domestic gas supply: Stably supplying natural gas and LNG by our supply network / Expanding sales volume including demands for fuel conversion
 - Soma LNG terminal: Engaging the contract work of LNG vaporization and delivery of power generation fuel to the adjacent Fukushima Natural Gas Power Plant
 - Overseas LNG Supply Infrastructure: Considering participation in projects to develop and operate supply infrastructure such as LNG terminals, mainly in Southeast Asia, where natural gas demands are growing demands
 - Electricity: Stably supplying electricity as a energy source with lower environmental impact generated by the power plants in operation / Participating in renewable energy development as well as considering participation to new projects
- ✓ Started commercial operation of the Abashiri Biomass 2nd Power Plant in Oct.
 ※ 3rd Power Plant is under construction (scheduled to commence commercial operation in Feb. 2023)
- ✓ (Under construction) Tahara Biomass Power Plant in Aichi, Ozu Biomass Power Plant in Ehime, Chofu Biomass Power Plant in Yamaguchi

CN Field

- Conducting study towards early adaptation and commercialization of CCS (Carbon dioxide Capture and Storage)/CCUS (Carbon dioxide Capture, Utilization, and Storage)
 - Considering cooperation and participation in carbon-neutral businesses, with the potential collaboration with CCS/CCUS
 - Seeking regional and inter-industrial collaboration in combination with CCS/CCUS, such as the realization of carbon recycling
- ✓ (Under consideration in Japan) Feasibility studies are underway in the Tomakomai area in Hokkaido and the Niigata East Port area.
- ✓ (Under consideration overseas) Participating in feasibility studies in Indonesia and Malaysia

6. Business Overview ② E&P Field



● Our oil and gas E&P fields/projects (as of September,2022)

No.	Oil and gas field/Project title (Operator)	Interest Share (JPEX's net)	Production type	Status	Production Volume*1
A	Japan: Domestic oil and gas fields (Total of 10 locations in Hokkaido, Akita, Yamagata, and Niigata)	Differ by interest	Crude oil/ natural gas	In production/ Additional development	Undisclosed
1	Iraq: Garraf Project (PETRONAS Carigali Iraq Holding B.V.)	30% (16.5%)	Crude oil	In production/ Additional Development	Approx. 132,000bbl*2
2	Indonesia: Kangean Project (Kangean Energy Indonesia Ltd.)	100% (25%)	Natural gas	In production	Approx. 3,790,000m ³ (Approx. 23,000boed)
3	UK North Sea: Seagull Project (Neptune E&P UK Limited)	15% (15%)	Crude oil/ natural gas	In development	-
4	Russia: Sakhalin 1 Project*3	30% (4.59%)	Crude oil	In production/ development	Undisclosed
5	North America: Tight Oil Development (Marathon Oil Corporation, EOG Resources Inc., etc.)	Differ by interest	Crude oil	In production/ development	Undisclosed

*1: Average daily Production for cumulative 2Q FY2022 (Jan-Jun 2022 for overseas projects) / *2: Average daily production Apr-Sep 2022

*3: Contractual rights and obligations pursuant to the production sharing agreement were transferred to a new business entity, pursuant to the presidential decree of Russia etc., on Oct.2022.

6. Business Overview ③ I/U Field - Gas Supply

Features of JAPEX's domestic gas supply network

High-pressure gas pipeline network over **800** km total

2 LNG terminals for ocean-going carriers

Capable to supply from Sea of Japan and Pacific Ocean

● Domestic gas supply

- Domestic produced gas and regasified LNG supply via pipelines
- Receive, storage, regasify, and deliver LNG
- LNG satellite system: tank trucks, tank containers on rail, domestic vessels)
- Third-party or consignment use of our gas pipelines and LNG terminals etc.

● Respond to diversification of domestic gas supply

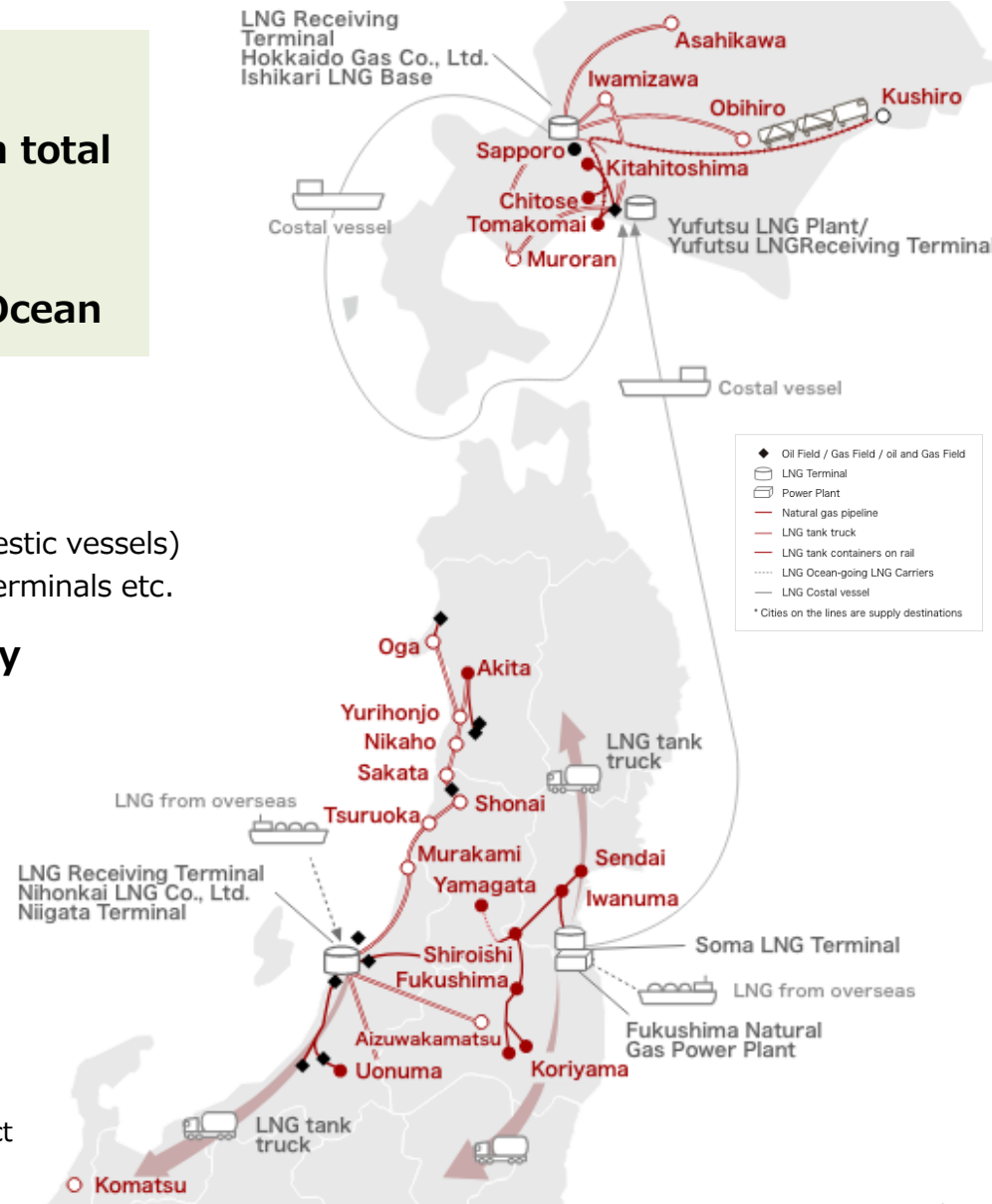
- Support fuel switching to natural gas from other fossil fuels
- Propose and provide energy services in cooperation with city gas suppliers

● LNG procurement

- Procure competitive LNG with a combination of term and spot contracts

● Overseas LNG supply infrastructure

- Launch new projects or other process mainly in Southeast Asia with stronger demands for gas
 - ✓ Ongoing feasibility study: Northern Vietnam LNG terminal project



6. Business Overview ④ I/U Field - Electricity

JAPEX's joining power plants are

Total 7 sites **Total output 1,389,550kW**
 (Renewable energy 6 sites Renewable energy 209,550kW)

[1] Abashiri Biomass Power Plant No.2&3 **BIO**

[2] Mega solar power generation at JAPEX Hokkaido District Office*

PV

PV

[3] Yufutsu Solar Power Plant



● Power plants in development and operation (as of the end of October 2022)

No.	Name	Location	Type	Capacity (kW)	Share	Status
A	Fukushima Natural Gas Power Plant	Shinchi Town, Fukushima	Natural gas (LNG)	1,180,000	33%	In operation
1	Abashiri Biomass No.2&3 Power Plants	Abashiri City, Hokkaido	Biomass (wood chip)	19,800	33.8%	In operation(No.2) In construction(No.3)
2	Mega solar power generation at JAPEX Hokkaido District Office	Tomakomai City, Hokkaido	PV	1,800	100%	In operation
3	Yufutsu Solar Power Plant	Tomakomai City, Hokkaido	PV	13,000	20%	In operation
4	Tahara Biomass Power Plant	Tahara City, Aichi	Biomass (wood pellets)	50,000	39.9%	In construction
5	Ozu Biomass Power Plant	Ozu City, Ehime	Biomass (wood pellet)	50,000	35%	In construction
6	Chofu Biomass Power Plant	Shimonoseki City, Yamaguchi	Biomass (wood pellet)	74,950	39.9%	In construction

[A] Fukushima Natural Gas Power Plant

LNG



● Other renewable energy project

- PHOTON Sustainable Solar Investment Limited Partnership (funding up to 10 billion yen in PV generation projects including non-FIT projects; 50% of our investment ratio)

[4] Tahara Biomass Power Plant

[5] Ozu Biomass Power Plant **BIO**

BIO

BIO

BIO

[6] Chofu Biomass Power Plant

● Gas power plant

■ Renewable power plant

* Included in our sales profit

6. Business Overview ⑤ CN Field

● Required factors to realize a hub & cluster CCS/CCUS

Verification and Establishment of Technology

- Survey of suitable sites for CO₂ storage and amounts that can be stored
- CO₂ capture and transportation technology
- CO₂ indention and storage technology
 - Including stored CO₂ monitoring

+

Inter-company and Cross-industry Collaboration

- Collection of CO₂ from emitting sites
- CO₂ transportation network construction
 - Transportation to utilization destinations and collection surpluses
- Underground storage of surplus CO₂

+

Examination and Development of Legal Systems, etc.

- Legal system for CO₂ underground storage
- Appropriate system of CO₂ transportation infrastructures with publicness
- CO₂ trading system
 - Including collaboration with overseas CO₂ trading

● Ongoing CCS/CCUS initiatives to promote/participate in (as of the end of October, 2022)

Japan Realize hub & cluster model by FY2030

- **Consideration in JAPEX**
 - ✓ Examination of CO₂ storage capacity in our oil and gas fields, etc.
 - ✓ Study of re-injection of associated CO₂ from our oil and gas field operations
- **Feasibility study with companies/cross-industry**
 - ✓ Feasibility study on carbon recycling business utilizing inter-industry collaboration in the Tomakomai area with Deloitte Tohmatsu Consulting as a NEDO-commissioned project
 - ✓ Feasibility study of a business in the Niigata area that makes effective use of CO₂ with Mitsubishi Gas Chemical
 - ✓ Feasibility Study for a Hub & Cluster Type CCUS Project in Niigata East Port Area (FY2022 Publicly solicited project by JOGMEC)

Overseas Early profit earning in advanced countries & consideration in emerging countries

- **Consideration in JAPEX**
 - ✓ Consideration for participation in CCS/CCUS projects in North America, Europe and other systematically advanced areas
- **Feasibility study on companies/cross-industry**
 - ✓ Joint feasibility study of a CCUS project in Indonesia's Sukowati oil field utilizing bilateral credits with Pertamina Group and Remigas
 - ✓ Joint CCS study in Malaysia: Investigation of suitable sites and technical evaluations for CO₂ underground storage (with PETRONAS, JGC CORPORATION, and Kawasaki Kisen Kaisha, Ltd., and works by 3 Japanese companies are adopted as a subsidy project by the Japanese government)

Common

- **Technical and other related study**
 - ✓ Study on technical issues of energy transportation infrastructure for the realization of a CN society with JFE Engineering

7. Integrated Report and IR Materials

Please visit our website for the integrated report and IR materials.

Integrated Report

◆ Integrated Report



<https://www.japex.co.jp/en/ir/library/integratedreport/>

The latest issue
(Integrated Report 2022, published in September 2022)
is available directly via the following link

https://www.japex.co.jp/en/ir/uploads/pdf/JAPEX_IR2022_e.pdf

Disclosure Materials Archive

◆ Financial Results

<https://www.japex.co.jp/en/ir/library/result/>

◆ Explanatory Materials

<https://www.japex.co.jp/en/ir/library/explanatory/>

Performance information, etc.

◆ Financial highlights for 5 years

* Past 10 years' CVS data is also available

<https://www.japex.co.jp/en/ir/figure/>

◆ Shareholder Returns (Dividends)

https://www.japex.co.jp/ir/uploads/JAPEX_10yearFinancialData_e.xlsx

<https://www.japex.co.jp/en/ir/stock/dividend/>

8. Glossary

● 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
JCC	Japan Crude Cocktail
JEPX	Japan Electric Power Exchange
MH	Methane Hydrate
RRR	Reserve Replacement Ratio
WTI	West Texas Intermediate

● Main Subsidiaries and Affiliates

Japex Garraf	Japex Garraf Ltd.	Iraq / Garraf Project
EMPI	Energi Mega Pratama Inc.	Indonesia / Kangean Project
SODECO	Sakhalin Oil & Gas Development Co., Ltd.	Russia / Sakhalin-1 Project
DGN	Diamond Gas Netherlands B.V.	Malaysia LNG Project 3 (Tiga)
FGP	Fukushima Gas Power Co., Ltd.	Natural gas-fired electric power generation Business

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 (FY3/22, for instance, means 12 months ending March 31, 2022)
- Figures in parentheses in "Operating profit," "Ordinary profit," "Share of profit of entities accounted for using equity method," and "Profit attributable to owners of parent" represent losses in each category.

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