

Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 <under Japanese GAAP>

May 12, 2023

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

Company name: Japan Petroleum Exploration Co., Ltd.
 Listing: Prime Market, Tokyo Stock Exchange
 Securities code: 1662
 URL: <https://www.japex.co.jp/>
 Representative: FUJITA Masahiro, Representative Director and President
 Inquiries: MATSUMOTO Akinori, General Manager, Corporate Communication Office
 (TEL) +81-3-6268-7110 (from overseas)
 Scheduled date of ordinary general shareholders' meeting: June 27, 2023
 Scheduled date to commence dividend payments: June 28, 2023
 Scheduled date to file Securities Report: June 27, 2023
 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, 2023 (April 1, 2022 – March 31, 2023)

(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, 2023	336,492	35.1	62,085	213.4	83,130	90.3	67,394	–
March 31, 2022	249,140	3.8	19,809	372.5	43,674	336.7	(30,988)	–

Note: Comprehensive income: FY2023/3: 68,436 million yen (– %) FY2022/3: (18,992) 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, 2023	1,236.65	–	16.9	16.0	18.5
March 31, 2022	(545.64)	–	(8.0)	8.0	8.0

Reference: Equity in earnings (losses) of affiliates: FY2023/3: 7,109 million yen FY2022/3: 14,226 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, 2023	568,180	457,169	74.9	7,849.18
As of March 31, 2022	471,941	402,770	78.7	6,679.85

Reference: Equity As of March 31, 2023: 425,632 million yen As of March 31, 2022: 371,638 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, 2023	104,581	(52,723)	(14,506)	186,166
March 31, 2022	(1,052)	52,067	(70,939)	144,513

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, 2022	–	25.00	–	25.00	50.00	2,821	–	0.7
Fiscal year ended March 31, 2023	–	150.00	–	220.00	370.00	20,090	29.9	5.1
Fiscal year ending March 31, 2024 (Forecast)	–	100.00	–	100.00	200.00		31.9	

3. Consolidated financial forecasts for the fiscal year ending March 31, 2024 (April 1, 2023 – March 31, 2024)
(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, 2024	300,600	(10.7)	41,200	(33.6)	45,500	(45.3)	34,000	(49.6)	627.00

* Notes

- (1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in the change in scope of consolidation): Yes
New inclusion: one company (JAPEX Insurance Ltd.)
Exclusion: one company (Canada Oil Sands Co., Ltd.)
- (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: None
 - d. Restatement: None
- (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, 2023 54,300,076 shares
 - As of March 31, 2022 57,154,776 shares
 - b. Number of treasury shares at the end of the period
 - As of March 31, 2023 73,730 shares
 - As of March 31, 2022 1,518,982 shares
 - c. Average number of shares during the period
 - Fiscal year ended March 31, 2023 54,497,361 shares
 - Fiscal year ended March 31, 2022 56,794,126 shares

Reference: Summary of non-consolidated results

Non-consolidated financial results for the fiscal year ended March 31, 2023

(April 1, 2022 – March 31, 2023)

(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, 2023	233,160	74.5	55,373	313.0	67,169	72.1	58,769	–
March 31, 2022	133,642	(21.0)	13,407	7.5	39,018	58.9	(20,003)	–

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2023	1,078.40	–
March 31, 2022	(352.20)	–

(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, 2023	492,716	381,522	77.4	7,035.75
As of March 31, 2022	423,049	337,872	79.9	6,072.94

Reference: Equity As of March 31, 2023: 381,522 million yen As of March 31, 2022: 337,872 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, 2023, economic and social activities continued to normalize even amid the ongoing effects of the novel coronavirus disease (COVID-19). However, there is concern that the contraction in the overseas economy caused by global monetary tightening may have a negative effect on the Japanese economy.

The Japan Crude Cocktail (JCC) price rose from the upper \$100s per barrel at the beginning of the fiscal year to the upper \$110s per barrel in the first half of the fiscal year due to pressure on crude oil supply and demand caused by the crisis in Ukraine. Thereafter, concern over slowing demand with the renewed spread of COVID-19 in China and concerns over the impact of interest rate hikes by the U.S. Federal Reserve Board (FRB) led to a decline in prices, with the JCC price finishing the fiscal year in the mid-\$80 level.

In the currency exchange market, the yen started the fiscal year in the lower ¥120/US\$ level, but the trend of yen depreciation strengthened from the first half to the second half of the fiscal year. While the trend shifted to yen appreciation from January onwards, the exchange rate was around the mid-¥130/US\$ level at the end of the fiscal year. As a result, the JAPEX Group's average oil sales price for the fiscal year rose compared to the previous fiscal year.

On the other hand, the JAPEX Group faced 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 continuing competition in the entire energy industry driven by the full retail liberalization of electricity and gas.

In recent years, the business environment surrounding the JAPEX Group has changed significantly, including the acceleration of the global move toward decarbonization. To respond promptly and flexibly to these changes in the business environment, in May 2021, we formulated and announced "JAPEX2050: Toward a Carbon-Neutral Society" which outlines the responsibilities and challenges we must take in order to achieve global net-zero CO₂ emissions by 2050, and the direction for JAPEX's future actions and business development, and then in March 2022, we formulated and announced the "JAPEX Management Plan 2022-2030," which is based on the basic policy of improving profitability and building a business foundation for 2030 and beyond. We are diligently promoting our businesses based on these plans.

During the fiscal year, net sales was ¥336,492 million, an increase of ¥87,351 million (+35.1%) year on year. Gross profit was ¥96,111 million, an increase of ¥46,208 million (+92.6%) year on year. Main factors behind the year-on-year increase for net sales and increase for gross profit include a rise in the selling prices of crude oil and natural gas in Japan as a result of the rising price of crude oil and LNG, despite the absence of sales of diluted bitumen as a result of the transfer of all the shares of Japan Canada Oil Sands Limited (JACOS), which had been a consolidated subsidiary to promote the oil sands project in Canada in the previous fiscal year.

Exploration expenses was ¥2,885 million, an increase of ¥2,525 million (+702.0%) year on year. Selling, general and administrative expenses was ¥31,139 million, an increase of ¥1,405 million (+4.7%) year on year. As a result, operating profit was ¥62,085 million, an increase of ¥42,276 million (+213.4%) year on year.

Ordinary profit was ¥83,130 million, an increase of ¥39,456 million (+90.3%) year on year, due mainly to a recording of gain on derivatives.

Profit before income taxes improved by ¥101,585 million year on year to ¥83,084 million (loss before income taxes of ¥18,501 million in the previous fiscal year) due mainly to the absence of loss on sale of shares of subsidiary resulting from the transfer of all the shares in JACOS and loss on transfer of interests owned by JAPEX Montney Ltd. in the shale gas project of North Montney Area in British Columbia, Canada, which were recorded in the same period of the previous fiscal year. Profit attributable to owners of parent improved by ¥98,383 million year on year to ¥67,394 million (loss attributable to owners of parent of ¥30,988 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 ¥56,063 million, a decrease of ¥17,359 million (-23.6%) year on year, mainly due to the absence of the sales of diluted bitumen resulting from the transfer of all the shares of JACOS, despite a rise in the selling price of crude oil.

(ii) Infrastructure/Utility Business

Net sales from the Infrastructure/Utility Business came to ¥213,657 million, an increase of ¥93,812 million (+78.3%) year on year. This was mainly the result of a rise in the selling prices due to the rising crude oil price and LNG price, despite the decreased sales volume for natural gas (Japan) and electricity.

(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 ¥66,771 million, an increase of ¥10,898 million (+19.5%) 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, natural gas (including LNG), electricity, contract services, oil products and the like. In the fiscal year under review, net sales came to ¥303,047 million, an increase of ¥110,378 million (+57.3%) year on year, mainly due to higher sales prices of crude oil, natural gas, and electric power. Segment profit increased by ¥44,115 million (+178.3%) year on year to ¥68,855 million, mainly due to improvements in balance of sales revenue resulting from higher sales prices.

(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 ¥9,161 million, a decrease of ¥24,652 million (-72.9%) year on year, due mainly to the absence of the sales of diluted bitumen resulting from the transfer of all the shares of JACOS. Segment profit increased by ¥2,420 million (+135.3%) year on year to ¥4,210 million, mainly due to improvements in balance of sales revenue resulting from higher sales prices.

(3) Europe

In the Europe segment, development of the UK North Sea block located offshore Aberdeen was conducted. In the fiscal year under review, there was segment loss of ¥170 million (compared to segment loss of ¥151 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 ¥24,283 million, an increase of ¥1,626 million (+7.2%) year on year. With respect to segment profit (loss), there was segment loss of ¥112 million, a decrease of ¥2,757 million (compared to segment profit of ¥2,644 million in the previous fiscal year).

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

Total assets at the end of this fiscal year increased by ¥96,238 million from the previous fiscal year-end to ¥568,180 million.

Current assets increased by ¥54,871 million from the previous fiscal year-end. This was due to increases in cash and deposits, and raw materials and supplies. Non-current assets increased by ¥41,367 million from the previous fiscal year-end. This was mainly due to increases in the recording of wells and construction in progress under property, plant and equipment, and other factors.

Liabilities increased by ¥41,839 million from the previous fiscal year-end to ¥111,010 million.

Current liabilities increased by ¥39,009 million from the previous fiscal year-end. This was mainly due to increases in notes and accounts payable - trade, income taxes payable, and accounts payable - other under other. Non-current liabilities increased by ¥2,830 million from the previous fiscal year-end. The main factor was an increase in deferred tax liabilities.

Net assets increased by ¥54,399 million from the previous fiscal year-end to ¥457,169 million. The main factor was an increase in retained earnings.

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

As of March 31, 2023, cash and cash equivalents (hereinafter “net cash”) increased by ¥41,653 million compared to the end of the previous fiscal year to ¥186,166 million. Below is a summary of cash flows for each activity.

(Cash flows from operating activities)

Net cash provided by operating activities amounted to ¥104,581 million. This was mainly due to profit before income taxes of ¥83,084 million and increase in trade payables of ¥21,537 million.

(Cash flows from investing activities)

Net cash used in investing activities amounted to ¥52,723 million. Net cash was mainly used in purchase of property, plant and equipment of ¥35,973 million and payments of recoverable accounts of ¥27,729 million, while net cash was provided by interest and dividends received of ¥8,974 million.

(Cash flows from financing activities)

Net cash used in financing activities was ¥14,506 million. Net cash was mainly used in dividends paid of ¥9,531 million and purchase of treasury shares of ¥4,263 million.

Reference: Trend of cash flow indicators

Fiscal years ended March 31	2019	2020	2021	2022	2023
Equity ratio (%)	63.6	64.2	64.0	78.7	74.9
Equity ratio on mark-to-market basis (%)	20.9	16.2	18.8	30.3	42.6
Interest-bearing debt to cash flow ratio (years)	4.3	1.8	2.6	–	0.0
Interest coverage ratio (times)	8.0	14.8	14.9	–	20,910.5

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 above indicators are calculated based on consolidated financial figures.
2. Total market capitalization is calculated based on the number of shares outstanding (excluding treasury shares).
3. Cash flow here is cash flows from operating activities.
4. Interest-bearing debt is all debt subject to interest payments within liabilities (excluding lease obligations) shown on the consolidated balance sheet.
5. The interest-bearing debt to cash flow ratio and the interest coverage ratio for the fiscal year ended March 2022 are omitted since the cash flows from operating activities were negative.

(4) Future outlook

The latest financial forecasts are based on a JCC price of \$75 per barrel for the whole fiscal year, and an exchange rate of ¥125/\$ for the whole fiscal year. Actual non-consolidated results for the fiscal year under review came to \$102.26 per barrel and ¥132.86/\$.

Net sales for the fiscal year ending March 31, 2024 is expected to decrease by ¥35,892 million (-10.7%) from the fiscal year under review to ¥300,600 million. This is because the factors for increased net sales, due to the expected increase in sales volume of overseas crude oil, are outweighed by factors for decreased net sales, including the settling of sales prices for crude oil, natural gas, and electricity.

Operating profit is expected to decrease by ¥20,885 million (-33.6%) to ¥41,200 million from the fiscal year under review, mainly due to an expected decrease in sales prices of crude oil, natural gas and electricity.

Ordinary profit is expected to decrease by ¥37,630 million (-45.3%) from the fiscal year under review to ¥45,500 million. This mainly reflects a decrease in share of profit of entities accounted for using equity method, and the absence of foreign exchange gains recorded in the fiscal year under review.

Profit attributable to owners of parent is expected to decrease by ¥33,394 million (-49.6%) from the fiscal year under review to ¥34,000 million.

(5) Basic Policy on Profit Distribution and Dividends for the Current and Next Fiscal Years

As stated in the “JAPEX Management Plan 2022-2030” disclosed in March 2022, the Company aims to sustainably increase corporate value through proactive investment using retained earnings and expansion of the business base from the fiscal year ended March 31, 2023, and has a basic policy of paying dividends in line with its business performance each fiscal year based on a target consolidated dividend payout ratio of 30% as a way to return these results to shareholders while striving to maintain the annual dividends of ¥50 per share even in the event of a temporary downturn in business performance due to factors such as changes in the business environment. (However, in the year when profit attributable to owners of parent fluctuates significantly due to extraordinary income or loss or other exceptional factors, the amount of dividend will be determined in consideration of such fluctuations.)

Based on the above policy, we intend to pay a year-end dividend of ¥220 per share for the fiscal year under review (ended March 31, 2023). Combined with the interim dividend, the annual dividend will be ¥370 per share. For the next fiscal year ending March 31, 2024, we intend to pay the annual dividend of ¥200 per share (including an interim dividend of ¥100 per share).

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, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	147,241	191,956
Notes and accounts receivable - trade	47,158	47,993
Contract assets	405	480
Securities	3,030	3,000
Merchandise and finished goods	2,143	2,216
Work in process	29	11
Raw materials and supplies	12,503	21,613
Other	14,458	14,574
Allowance for doubtful accounts	(51)	(54)
Total current assets	226,920	281,791
Non-current assets		
Property, plant and equipment		
Buildings and structures	178,766	181,787
Accumulated depreciation	(141,557)	(145,756)
Buildings and structures, net	37,208	36,030
Wells	75,314	94,048
Accumulated depreciation	(73,388)	(77,417)
Wells, net	1,925	16,630
Machinery, equipment and vehicles	146,470	147,047
Accumulated depreciation	(122,216)	(126,573)
Machinery, equipment and vehicles, net	24,253	20,473
Land	11,536	11,532
Construction in progress	14,797	28,284
Other	20,945	23,644
Accumulated depreciation	(17,829)	(18,184)
Other, net	3,116	5,460
Total property, plant and equipment	92,837	118,411
Intangible assets	5,802	5,569
Investments and other assets		
Investment securities	108,910	115,940
Long-term loans receivable	49	1,307
Deferred tax assets	3,709	3,813
Retirement benefit asset	2,319	1,703
Other	31,734	40,031
Allowance for doubtful accounts	(45)	(47)
Allowance for overseas investment loss	(297)	(341)
Total investments and other assets	146,380	162,407
Total non-current assets	245,021	286,388
Total assets	471,941	568,180

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	11,479	26,489
Current portion of long-term borrowings	260	260
Income taxes payable	2,196	9,333
Contract liabilities	258	155
Provision for loss on disaster	1,841	2,119
Other	9,205	25,892
Total current liabilities	25,241	64,250
Non-current liabilities		
Long-term borrowings	510	250
Deferred tax liabilities	16,867	20,461
Retirement benefit liability	3,376	3,428
Asset retirement obligations	19,539	20,043
Other	3,636	2,577
Total non-current liabilities	43,929	46,759
Total liabilities	69,171	111,010
Net assets		
Shareholders' equity		
Share capital	14,288	14,288
Capital surplus	2,607	–
Retained earnings	310,592	362,989
Treasury shares	(3,886)	(136)
Total shareholders' equity	323,602	377,141
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	48,346	46,324
Deferred gains or losses on hedges	(1,862)	(699)
Foreign currency translation adjustment	89	2,275
Remeasurements of defined benefit plans	1,464	590
Total accumulated other comprehensive income	48,036	48,491
Non-controlling interests	31,131	31,536
Total net assets	402,770	457,169
Total liabilities and net assets	471,941	568,180

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

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net sales	249,140	336,492
Cost of sales	199,237	240,380
Gross profit	49,903	96,111
Exploration expenses	359	2,885
Selling, general and administrative expenses	*1 *2 29,734	*1 *2 31,139
Operating profit	19,809	62,085
Non-operating income		
Interest income	266	1,173
Dividend income	4,049	3,520
Share of profit of entities accounted for using equity method	14,226	7,109
Foreign exchange gains	10,002	5,332
Gain on derivatives	-	6,082
Other	1,535	373
Total non-operating income	30,080	23,592
Non-operating expenses		
Interest expenses	1,187	5
Late charges	3,335	-
Commitment fees	292	312
Provision for loss on disaster	331	1,509
Other	1,069	720
Total non-operating expenses	6,215	2,547
Ordinary profit	43,674	83,130
Extraordinary income		
Gain on sale of non-current assets	1,307	0
Gain on sale of investment securities	39,826	-
Gain on forgiveness of debts	42,462	-
Total extraordinary income	83,596	0
Extraordinary losses		
Loss on sale of non-current assets	0	8
Loss on retirement of non-current assets	46	38
Loss on disaster	*3 1,416	-
Loss on sale of shares of subsidiaries	94,373	-
Loss on transfer of interests	44,724	-
Loss on liquidation of subsidiaries	3,889	-
Other	1,320	-
Total extraordinary losses	145,772	46
Profit (loss) before income taxes	(18,501)	83,084
Income taxes - current	2,855	11,223
Income taxes - deferred	6,797	3,878
Total income taxes	9,652	15,102
Profit (loss)	(28,153)	67,981
Profit attributable to non-controlling interests	2,835	587
Profit (loss) attributable to owners of parent	(30,988)	67,394

Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Profit (loss)	(28,153)	67,981
Other comprehensive income		
Valuation difference on available-for-sale securities	4,121	(2,019)
Deferred gains or losses on hedges	(1,718)	715
Foreign currency translation adjustment	6,412	1,993
Remeasurements of defined benefit plans, net of tax	(202)	(873)
Share of other comprehensive income of entities accounted for using equity method	547	639
Total other comprehensive income	9,161	454
Comprehensive income	(18,992)	68,436
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(24,548)	67,848
Comprehensive income attributable to non-controlling interests	5,556	587

(3) Consolidated statement of changes in equity

Fiscal year ended March 31, 2022 (April 1, 2021 – March 31, 2022)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	14,288	–	344,438	(151)	358,575
Changes during period					
Dividends of surplus			(2,857)		(2,857)
Loss attributable to owners of parent			(30,988)		(30,988)
Change in ownership interest of parent due to transactions with non-controlling interests		2,607			2,607
Change in scope of equity method					–
Purchase of treasury shares				(3,737)	(3,737)
Disposal of treasury shares				2	2
Cancellation of treasury shares					–
Transfer from retained earnings to capital surplus					–
Net changes in items other than shareholders' equity					
Total changes during period	–	2,607	(33,846)	(3,734)	(34,973)
Balance at end of period	14,288	2,607	310,592	(3,886)	323,602

	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	44,228	(488)	(3,810)	1,667	41,596	34,320	434,492
Changes during period							
Dividends of surplus							(2,857)
Loss attributable to owners of parent							(30,988)
Change in ownership interest of parent due to transactions with non-controlling interests							2,607
Change in scope of equity method							–
Purchase of treasury shares							(3,737)
Disposal of treasury shares							2
Cancellation of treasury shares							–
Transfer from retained earnings to capital surplus							–
Net changes in items other than shareholders' equity	4,117	(1,374)	3,900	(202)	6,440	(3,189)	3,251
Total changes during period	4,117	(1,374)	3,900	(202)	6,440	(3,189)	(31,721)
Balance at end of period	48,346	(1,862)	89	1,464	48,036	31,131	402,770

Fiscal year ended March 31, 2023 (April 1, 2022 – March 31, 2023)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	14,288	2,607	310,592	(3,886)	323,602
Changes during period					
Dividends of surplus			(9,537)		(9,537)
Profit attributable to owners of parent			67,394		67,394
Change in ownership interest of parent due to transactions with non-controlling interests					–
Change in scope of equity method			(63)		(63)
Purchase of treasury shares				(4,263)	(4,263)
Disposal of treasury shares				8	8
Cancellation of treasury shares		(8,004)		8,004	–
Transfer from retained earnings to capital surplus		5,396	(5,396)		–
Net changes in items other than shareholders' equity					
Total changes during period	–	(2,607)	52,396	3,749	53,539
Balance at end of period	14,288	–	362,989	(136)	377,141

	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	48,346	(1,862)	89	1,464	48,036	31,131	402,770
Changes during period							
Dividends of surplus							(9,537)
Profit attributable to owners of parent							67,394
Change in ownership interest of parent due to transactions with non-controlling interests							–
Change in scope of equity method							(63)
Purchase of treasury shares							(4,263)
Disposal of treasury shares							8
Cancellation of treasury shares							–
Transfer from retained earnings to capital surplus							–
Net changes in items other than shareholders' equity	(2,021)	1,163	2,185	(873)	454	405	859
Total changes during period	(2,021)	1,163	2,185	(873)	454	405	54,399
Balance at end of period	46,324	(699)	2,275	590	48,491	31,536	457,169

(4) Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit (loss) before income taxes	(18,501)	83,084
Depreciation	17,721	14,257
Loss on retirement of property, plant and equipment	45	37
Loss (gain) on valuation of short-term and long-term investment securities	–	10
Increase (decrease) in allowance for doubtful accounts	15	4
Decrease (increase) in retirement benefit asset	64	616
Increase (decrease) in retirement benefit liability	(168)	51
Increase (decrease) in allowance for overseas investment loss	(75)	44
Interest and dividend income	(4,316)	(4,693)
Interest expenses	1,187	5
Foreign exchange losses (gains)	(9,911)	(5,646)
Loss (gain) on sale of short-term and long-term investment securities	53,579	0
Loss (gain) on liquidation of subsidiaries	3,899	–
Share of loss (profit) of entities accounted for using equity method	(14,226)	(7,109)
Loss on transfer of interests	44,724	–
Recovery of recoverable accounts	17,780	18,295
Gain on forgiveness of debts	(42,462)	–
Decrease (increase) in trade receivables	(12,410)	(893)
Decrease (increase) in inventories	(2,737)	(9,139)
Increase (decrease) in trade payables	(9,422)	21,537
Decrease (increase) in accounts receivable - other	2,292	(10,541)
Increase (decrease) in accrued consumption taxes	(2,360)	3,768
Other, net	(18,989)	1,068
Subtotal	5,726	104,759
Income taxes refund (paid)	(6,778)	(177)
Net cash provided by (used in) operating activities	(1,052)	104,581

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from investing activities		
Payments into time deposits	(41,247)	(36,106)
Proceeds from withdrawal of time deposits	44,920	34,453
Proceeds from sale and redemption of securities	30	30
Purchase of property, plant and equipment	(16,278)	(35,973)
Proceeds from sale of property, plant and equipment	2,248	2
Purchase of intangible assets	(290)	(191)
Payments for asset retirement obligations	(128)	(8)
Purchase of investment securities	(11,827)	(2,625)
Proceeds from sale and redemption of investment securities	53,062	674
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	29,382	–
Payments of recoverable accounts	(23,244)	(27,729)
Loan advances	(6,721)	(1,694)
Proceeds from collection of loans receivable	24	7,135
Interest and dividends received	19,860	8,974
Proceeds from dividends of residual property	6	271
Proceeds from capital reduction of investments	75	19
Proceeds from transfer of interests	2,701	–
Other, net	(507)	43
Net cash provided by (used in) investing activities	52,067	(52,723)
Cash flows from financing activities		
Proceeds from short-term borrowings	20,900	–
Repayments of short-term borrowings	(20,900)	–
Repayments of long-term borrowings	(59,703)	(260)
Purchase of treasury shares	(3,737)	(4,263)
Dividends paid	(2,857)	(9,531)
Dividends paid to non-controlling interests	(2,085)	(181)
Interest paid	(674)	(5)
Repayments of lease liabilities	(255)	(264)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(1,626)	–
Net cash provided by (used in) financing activities	(70,939)	(14,506)
Effect of exchange rate change on cash and cash equivalents	6,475	4,301
Net increase (decrease) in cash and cash equivalents	(13,449)	41,653
Cash and cash equivalents at beginning of period	157,963	144,513
Cash and cash equivalents at end of period	* 144,513	* 186,166

(5) Notes to consolidated financial statements

(Notes on premise of going concern)

No item to report.

(Consolidated balance sheet)

Contingent liabilities

(Millions of yen)

As of March 31, 2022		As of March 31, 2023	
(1) Liabilities for guarantees on borrowings to financial institutions			
Kumamoto Mirai LNG Co., Ltd.	31	Abashiri Biomass Power 2 LLC.	2,218
Employees (borrowings for housing funds)	22	Abashiri Biomass Power 3 LLC.	2,107
Greenland Petroleum Exploration Co., Ltd.	20	Ozu Biomass Power Co., Ltd.	412
		Kumamoto Mirai LNG Co., Ltd.	25
		Employees (borrowings for housing funds)	16
(2) Guarantees on liabilities related to production facilities			
Kangean Energy Indonesia Ltd.	116		–
Total	191	Total	4,781

(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, 2022	Fiscal year ended March 31, 2023
Personnel expenses	11,248	10,969
(of the above, retirement benefit expenses)	560	507
Freight costs	5,130	2,594
Taxes and dues	1,941	3,750
Depreciation	4,162	3,979

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

(Millions of yen)

Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
179	291

*3. Losses on disaster

Fiscal year ended March 31, 2022 (April 1, 2021 – March 31, 2022)

The JAPEX Group recorded losses due to damage caused by the earthquake that occurred off the coast of Fukushima Prefecture in March 2022. Losses on disaster of ¥1,416 million includes provision for loss on disaster of ¥970 million.

(Consolidated statement of changes in equity)

Fiscal year ended March 31, 2022 (April 1, 2021 – March 31, 2022)

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	79,982	1,440,600	1,600	1,518,982
Total	79,982	1,440,600	1,600	1,518,982

- Notes:
1. The increase of 1,440,600 shares in treasury shares of common shares comprises an increase due to the purchase of treasury shares by resolution of the Board of Directors.
 2. The decrease of 1,600 shares in treasury shares of common shares comprises a decrease due to the provision of shares through the Board Benefit Trust (BBT).
 3. The number of treasury shares of common shares includes shares held by the Board Benefit Trust (BBT) (77,600 shares at the beginning of the fiscal year ended March 31, 2022 and 76,000 shares at the end of the fiscal year ended March 31, 2022).
 4. The Board of Directors resolved at its meeting held on November 9, 2021 to cancel treasury shares in accordance with the provisions of Article 178 of the Companies Act. However, the cancellation procedures were not completed for the following treasury shares by the end of the fiscal year ended March 31, 2022.

Carrying value	¥3,737 million
Class of shares	Common shares
Number of shares	1,440,600 shares

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 25, 2021	Common shares	1,428	25	March 31, 2021	June 28, 2021
Meeting of the Board of Directors held on November 9, 2021	Common shares	1,428	25	September 30, 2021	December 13, 2021

- Notes:
1. 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).
 2. The total amount of the dividend at the meeting of the Board of Directors held on November 9, 2021 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 28, 2022	Common shares	1,392	Retained earnings	25	March 31, 2022	June 29, 2022

- Note: The total amount of the dividend at the Ordinary General Meeting of Shareholders held on June 28, 2022 includes a dividend of ¥1 million for shares held by the Board Benefit Trust (BBT).

Fiscal year ended March 31, 2023 (April 1, 2022 – March 31, 2023)

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	–	2,854,700	54,300,076
Total	57,154,776	–	2,854,700	54,300,076
Treasury shares				
Common shares	1,518,982	1,414,348	2,859,600	73,730
Total	1,518,982	1,414,348	2,859,600	73,730

Notes: 1. The decrease of 2,854,700 shares in total issued shares of common shares comprises a decrease due to the cancellation of treasury shares by resolution of the Board of Directors.
2. The increase of 1,414,348 shares in treasury shares of common shares comprises an increase of 1,414,100 shares due to the acquisition of treasury shares by resolution of the Board of Directors and an increase of 248 shares due to the purchase of shares less than one unit.
3. The decrease of 2,859,600 shares in treasury shares of common shares comprises decreases due to 2,854,700 shares in cancellation of treasury shares by resolution of the Board of Directors and 4,900 shares in the provision of shares through the Board Benefit Trust (BBT).
4. The number of treasury shares of common shares includes shares held by the Board Benefit Trust (BBT) (76,000 shares at the beginning of the fiscal year ended March 31, 2023 and 71,100 shares at the end of the fiscal year ended March 31, 2023).

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 28, 2022	Common shares	1,392	25	March 31, 2022	June 29, 2022
Meeting of the Board of Directors held on November 10, 2022	Common shares	8,144	150	September 30, 2022	December 12, 2022

Notes: 1. The total amount of the dividend at the Ordinary General Meeting of Shareholders held on June 28, 2022 includes a dividend of ¥1 million for shares held by the Board Benefit Trust (BBT).
2. The total amount of the dividend at the meeting of the Board of Directors held on November 10, 2022 includes a dividend of ¥10 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 27, 2023	Common shares	11,945	Retained earnings	220	March 31, 2023	June 28, 2023

Note: The total amount of the dividend at the Ordinary General Meeting of Shareholders held on June 27, 2023 includes a dividend of ¥15 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, 2022	Fiscal year ended March 31, 2023
Cash and deposits	147,241	191,956
Time deposits with maturity over three months	(5,727)	(8,789)
Short-term investments, etc. having maturities within three months from the acquisition date		
(Securities) Money management fund and others	3,000	3,000
Cash and cash equivalents	144,513	186,166

(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 of crude oil and natural gas, and 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, sale, etc. of crude oil and natural gas as E&P Business in North America.

"Europe" consists of business activities such as development of 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 28, 2022 (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, 2022 (April 1, 2021 – March 31, 2022)

(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 clients	192,669	33,814	–	22,657	249,140	–	249,140	–	249,140
Intersegment sales or transfers	–	–	–	–	–	–	–	–	–
Total	192,669	33,814	–	22,657	249,140	–	249,140	–	249,140
Segment profit (loss)	24,739	1,789	(151)	2,644	29,022	–	29,022	(9,213)	19,809
Segment assets	75,607	4,631	13,885	18,308	112,433	–	112,433	359,508	471,941
Other items									
Depreciation	10,203	6,901	–	366	17,471	–	17,471	250	17,721
Share of profit (loss) of entities accounted for using equity method	(47)	–	–	(13)	(61)	14,287	14,226	–	14,226
Investments in entities accounted for using equity method	679	–	–	286	966	10,603	11,569	–	11,569
Increase in property, plant and equipment and intangible assets	6,109	3,000	4,532	–	13,643	–	13,643	243	13,886

Fiscal year ended March 31, 2023 (April 1, 2022 – March 31, 2023)

(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 clients	303,047	9,161	–	24,283	336,492	–	336,492	–	336,492
Intersegment sales or transfers	–	–	–	–	–	–	–	–	–
Total	303,047	9,161	–	24,283	336,492	–	336,492	–	336,492
Segment profit (loss)	68,855	4,210	(170)	(112)	72,783	–	72,783	(10,697)	62,085
Segment assets	71,445	27,662	20,611	25,450	145,170	–	145,170	423,009	568,180
Other items									
Depreciation	10,044	3,654	–	293	13,991	–	13,991	265	14,257
Share of profit (loss) of entities accounted for using equity method	326	–	–	(11)	315	6,793	7,109	–	7,109
Investments in entities accounted for using equity method	1,107	–	–	286	1,394	10,269	11,664	–	11,664
Increase in property, plant and equipment and intangible assets	5,898	25,738	6,300	–	37,937	–	37,937	195	38,132

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, 2022	Fiscal year ended March 31, 2023
Elimination of intersegment transactions	4	1
Corporate expenses *	(9,218)	(10,698)
Total	(9,213)	(10,697)

* 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, 2022	As of March 31, 2023
Elimination of intersegment transactions	(12)	(10)
Corporate assets *1	2,239	2,277
Other assets *2	357,280	420,743
Total	359,508	423,009

*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, 2022 (April 1, 2021 – March 31, 2022)

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 clients	41,056	31,121	1,244	58,024	22,596	34,320	4,903

	Other businesses			Total
	Contract services	Oil products /merchandise	Others	
Net sales to outside clients	6,395	47,354	2,122	249,140

2. Information by geographical area

(1) Net sales

(Millions of yen)

Japan	Canada	Iraq	Others	Total
192,592	32,835	22,671	1,041	249,140

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	US	UK	Total
76,753	2,198	13,885	92,837

3. Information by major client

(Millions of yen)

Name of client	Net sales	Related segment
TOHOKU NATURAL GAS Co., Inc.	19,751	Japan

Fiscal year ended March 31, 2023 (April 1, 2022 – March 31, 2023)

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 clients	55,703	–	360	97,360	51,572	58,735	5,988

	Other businesses			Total
	Contract services	Oil products /merchandise	Others	
Net sales to outside clients	7,750	56,573	2,447	336,492

2. Information by geographical area

(1) Net sales

(Millions of yen)

Japan	Canada	Iraq	Others	Total
303,009	–	24,299	9,183	336,492

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	US	UK	Total
72,789	25,010	20,611	118,411

3. Information by major client

(Millions of yen)

Name of client	Net sales	Related segment
TOHOKU NATURAL GAS Co., Inc.	38,133	Japan

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

Fiscal year ended March 31, 2022 (April 1, 2021 – March 31, 2022)

No item to report.

Fiscal year ended March 31, 2023 (April 1, 2022 – March 31, 2023)

No item to report.

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

Fiscal year ended March 31, 2022 (April 1, 2021 – March 31, 2022)

No item to report.

Fiscal year ended March 31, 2023 (April 1, 2022 – March 31, 2023)

No item to report.

[Information on gain on bargain purchase by reportable segment]

Fiscal year ended March 31, 2022 (April 1, 2021 – March 31, 2022)

No item to report.

Fiscal year ended March 31, 2023 (April 1, 2022 – March 31, 2023)

No item to report.

(Per share information)

	Fiscal year ended March 31, 2022 (April 1, 2021 – March 31, 2022)	Fiscal year ended March 31, 2023 (April 1, 2022 – March 31, 2023)
Net assets per share	¥6,679.85	¥7,849.18
Basic earnings (loss) per share	¥(545.64)	¥1,236.65

- Notes: 1. Diluted earnings per share for the fiscal year ended March 31, 2022 is not presented, since basic loss per share was recorded and there is no dilutive share. Diluted earnings per share for the fiscal year ended March 31, 2023 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 when calculating net assets per share (76,000 shares in the fiscal year ended March 31, 2022, and 71,100 shares in the fiscal year ended March 31, 2023). 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 (76,486 shares in the fiscal year ended March 31, 2022, and 72,604 shares in the fiscal year ended March 31, 2023).
3. The basis for calculation of basic earnings (loss) per share is as follows:

	Fiscal year ended March 31, 2022 (April 1, 2021 – March 31, 2022)	Fiscal year ended March 31, 2023 (April 1, 2022 – March 31, 2023)
Profit (loss) attributable to owners of parent (Millions of yen)	(30,988)	67,394
Amounts not attributable to common shareholders (Millions of yen)	–	–
Profit (loss) attributable to owners of parent related to common shares (Millions of yen)	(30,988)	67,394
Average number of shares during the period (Thousands of shares)	56,794	54,497

(Significant subsequent events)

No item to report.

4. Others

Status of production and sales

1. Production

		Fiscal year ended March 31, 2022 (April 1, 2021 – March 31, 2022)	Fiscal year ended March 31, 2023 (April 1, 2022 – March 31, 2023)
E&P Business	Crude oil (kL)	806,390 (525,392)	751,616 (518,697)
	Natural gas (thousand m ³)	674,588 (132,025)	523,998 (14,136)
	Bitumen (kL)	656,377 (656,377)	– (–)
Infrastructure /Utility Business	LNG (t)	2,136	1,258
	Electricity (thousand kWh)	2,655,529	2,509,471

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.

2. Sales

		Fiscal year ended March 31, 2022 (April 1, 2021 – March 31, 2022)		Fiscal year ended March 31, 2023 (April 1, 2022 – March 31, 2023)	
		Sales volume	Net sales (Millions of yen)	Sales volume	Net sales (Millions of yen)
E&P Business	Crude oil (kL)	669,926	41,056	695,633	55,703
	Diluted bitumen (kL)	959,777	31,121	–	–
	Natural gas (overseas) (thousand m ³)	130,214	1,244	11,494	360
	Subtotal		73,422		56,063
Infrastructure/U tility Business	Natural gas (Japan) (thousand m ³)	1,061,244	58,024	989,051	97,360
	LNG (t)	295,536	22,596	340,503	51,572
	Electricity (thousand kWh)	3,023,294	34,320	3,005,864	58,735
	Others		4,903		5,988
	Subtotal		119,845		213,657
Other businesses	Contract services		6,395		7,750
	Oil products /merchandise		47,354		56,573
	Others		2,122		2,447
	Subtotal		55,872		66,771
Total			249,140		336,492

Notes: 1. “Crude oil” includes crude oil that the JAPEX Group produced 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 our 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, etc.
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.