



[Explanatory Material]

Financial Results

for the Six Months Ended September 30, 2023

November 10, 2023

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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- I . Financial Highlights and Business Progress**
- II . Initiatives for Sustainable Growth and Medium- to Long-term Enhancement of Corporate Value**
- III . Financial Results for the Six Months Ended September 30, 2023**
- IV . Revised Financial Forecasts for the fiscal year ending March 31, 2024**

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 13, 2023.

I . Financial Highlights and Business Progress

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Financial Highlights

2Q FY3/24 Results (Year-on-Year)

(Billion Yen)	1-2Q FY3/23 (a)	1-2Q FY3/24 (a)	Change
Operating profit	19.3	28.5	+9.1
Ordinary profit	43.0	39.1	(3.9)
Profit attributable to owners of parent	31.4	27.7	(3.6)

- **Operating profit** : Increased due to growth of sales volume for U.S. tight oil development and increased sales prices of domestic natural gas
- **Ordinary profit** : Decreased due to decline in equity method profit and foreign exchange gains

FY3/24 Forecasts Revision (vs Aug.9 Forecasts)

(Billion Yen)	Previous (f) Aug. 9, 2023	Revised (f) Nov. 10, 2023	Change
Operating profit	38.9	48.8	+9.9
Ordinary profit	44.8	57.0	+12.2
Profit attributable to owners of parent	34.0	45.0	+11.0

- **Operating profit** : Expect to increase due to anticipated increase in sales prices of domestic crude oil, domestic natural gas, LNG, etc.
- **Ordinary profit** : Expect to increase due to increased foreign exchange gains

Shareholder Returns

- Revised annual dividend forecast to 250 yen per share (interim 125 yen + year-end forecast 125 yen) ※ Revision based on consolidated dividend payout ratio of 30%
- Decided to repurchase own shares up to 3 million shares or 20.0 billion yen

Major Business Progress in the First Half of FY3/24

E&P Field

[Domestic]

- Additional development of Katakai gas field in Niigata : Completion of the first well (May) / Start drilling of the second well (Aug)

[Overseas]

- Capital participation in a subsidiary of U.K.-based Longboat Energy PLC (Longboat JAPEX Norge AS : LBJ) which promotes exploration and development in offshore Norway (May)
- Acquisition of additional well interests in tight oil development project in U.S. (May)
- Started production of crude oil and natural gas at the Seagull project in U.K. North Sea (Nov)

I/U Field

[Development of domestic renewable energy]

- Established PJ Asset Management Co., Ltd., to develop, manage and operate of solar power generation projects (Jun)
- Started operation of Mitsuke PV Power Plant, Niigata (Aug)
- Invested in Storage battery-related company PowerX, Inc (Aug)

[LNG transport and supply]

- Conducts Feasibility Study of Energy Service Utilizing LNG to the Industrial Park in Northern Vietnam (Aug)

CN Field

- Agreed on Joint Evaluation with JFE Steel Corporation to Establish CCS Value Chain Originated from Japan Aligned with CCS Study in Malaysia (Jun)
- Presented a carbon recycling scenario utilizing inter-industry collaboration in Tomakomai (Jul)
- Signed Joint Study Agreement Towards CO2 Injection Field Test at Sukowati Oil Field in Indonesia (Jul)
- CCS Studies in Tomakomai Area and East-Niigata Area were commissioned as the “Business Feasibility Study on Japanese Advanced CCS Project” by JOGMEC in FY2023 (Jul and Aug)
- Signed MOU with SKK Migas for cooperation in realizing CCS/CCUS Hub & Clusters in Indonesia (Sep)
- Launched our first concrete CCS commercialization study in advanced overseas country by capital participation in Blue Spruce Operating LLC of the U.S. (Oct)

Progress on Targets and Fund Allocation for FY3/24

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 cash inflows until FY2030

Quantitative target

Items	Medium-to Long-term Targets	2Q FY3/24	FY3/24Forecasts
Business Profit*1	FY2026 30 billion yen FY2030 50 billion yen	29.7 billion yen	49.3 billion yen
ROE	FY2026 5% FY2030 8%	N/A	9.9%*2
Profit Composition (E&P : non-E&Ps)	FY2026 6:4 FY2030 5 : 5	7 : 3	7 : 3

Fund Allocation

Items	Assumed allocation*3	2Q FY3/24	FY3/24Forecasts
Growth Investments	FY2026 275 billion yen FY2030 450 billion yen	35.7 billion yen	87.4 billion yen+a (Cumulative total 131.5 billion yen+a)
Shareholder Returns	FY2030 25 billion yen FY2030 50 billion yen	11.9 billion yen*4	28.7 billion yen*5 (Cumulative total 42.5 billion yen)

*1 Operating income and equity in earnings of affiliates (including profits distributed under limited partnership agreements and silent partnership agreements)

*2 Figures assume 454.1 billion yen in average equity at the beginning and end of the period

*3 Five-year cumulative total from FY2022 through FY2026 and nine-year cumulative total through FY2030, *4 FY 3/23 dividend, *5 FY3/23 dividend + FY3/24 interim dividend + share buyback

I . Financial Highlights and Business Progress

II . Initiatives for Sustainable Growth and Medium- to Long-term Enhancement of Corporate Value

III . Financial Results for the Six Months Ended September 30, 2023

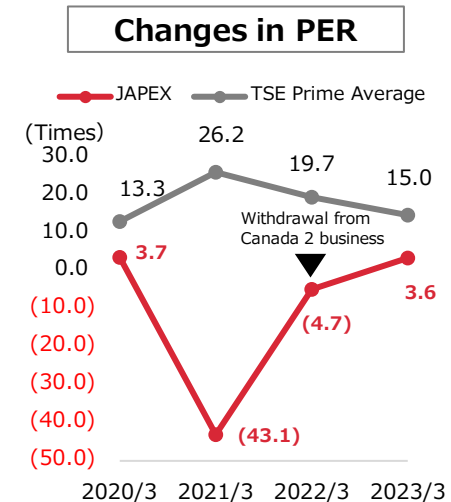
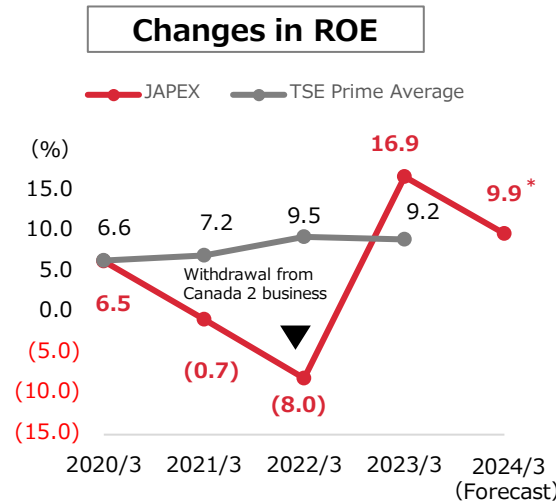
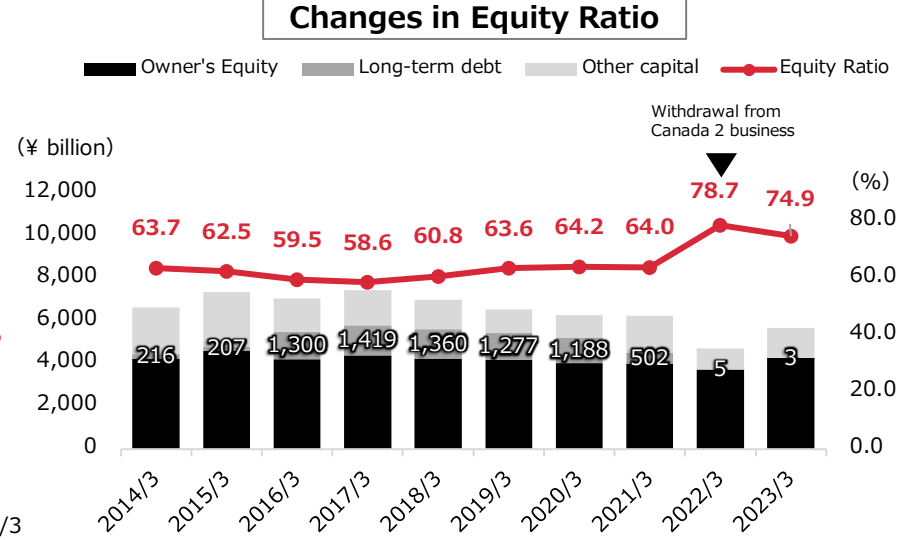
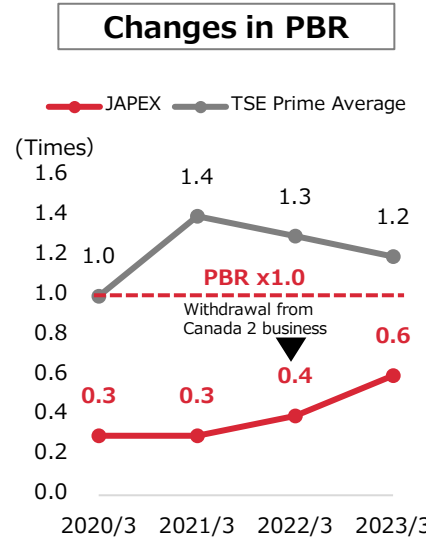
IV . Revised Financial Forecasts for the fiscal year ending March 31, 2024

II. Initiatives for Sustainable Growth and Medium- to Long-term Enhancement of Corporate Value

Sustainable Growth and Medium- to Long-Term Enhancement of Corporate Value - Current Status Analysis

Market's evaluation (PBR etc.)

- PBR is improving, but has not yet reached 1x
- ROE of 16.9% in FY03/2023 and 9.9% in FY03/2024 forecast are above the TSE prime average, but lower-than-average PER is also an issue as a reason for remaining at a low PBR ratio.
- In addition to standard industry issues such as the sustainability of oil- and natural gas-related businesses toward a decarbonized society and the high volatility of oil and natural gas prices, we recognize that the lack of understanding and confidence in our efforts to enhance corporate value is one of the factors behind the low PBR.
- Cost of equity is approximately 8%.
- Equity ratio is high after termination of two projects in Canada.



* Figures assume 454.1 billion yen in average equity at the beginning and end of the period

II. Initiatives for Sustainable Growth and Medium- to Long-term Enhancement of Corporate Value

Sustainable Growth and Medium- to Long-term Enhancement of Corporate Value - Policies in the Future

Investments focused on capital efficiency

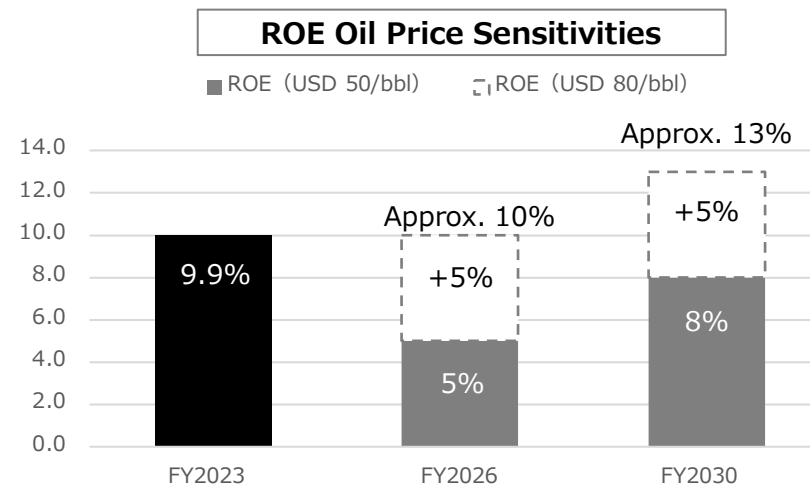
- Continue to invest in growth aligned with the management plan and expand the business asset portfolio that will be the source of future earnings
- Consideration of optimal capital structure in parallel with business portfolio construction (The equity ratio, which has temporarily increased, is expected to decline due to the utilization of interest-bearing debt in conjunction with the steady execution of growth investments)

Enhancement of Shareholder Returns

- We repurchased up to 3 million shares (5.5% of outstanding shares) for up to ¥20.0 billion, using temporary upside cash from the recent rise in oil and gas prices
- Continuous verification of the rationality of strategic shareholdings

Continuous dialogue with stakeholder

- The Board of Directors will continue to regularly analyze and consider the management plan's progress, and dialogue with the market to improve ROE and PER.
- The management plan sets ROE targets based on the assumption of an oil price of \$50 per barrel, but assuming that the current oil price level (\$80 per barrel) continues, the ROE level is expected to be around 10% in FY2026 and 13% in FY2030.



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FY3/24 Results (Year-on-Year)

Million Yen	1-2Q FY3/23 (a)	1-2Q FY3/24 (a)	Change	
Net sales	120,708	150,708	+30,000	+25%
Gross profit	33,980	43,304	+9,323	+27%
Operating profit	19,304	28,501	+9,196	+48%
Ordinary profit	43,084	39,135	(3,948)	(9%)
Profit attributable to owners of parent	31,430	27,770	(3,659)	(12%)

Oil Price and Exchange Rate

		1-2Q FY3/23 (a)	1-2Q FY3/24 (a)	Change
WTI	USD/bbl	101.53	74.94	(26.59)
Crude oil price (CIF)	USD/bbl	107.25	83.49	(23.76)
Exchange rate	JPY/USD	127.44	137.61	+10.17

E&P Business Sales (Year-on-Year)

Net sales : Million Yen	Unit	1-2Q FY3/23 (a)		1-2Q FY3/24 (a)		Change			
		Sales volume	Net sales	Sales volume	Net sales	Sales volume		Net sales	
E&P Business	-	-	14,142	-	47,536	-	-	+33,393	+236%

Breakdown

Crude oil	Thousand KL	141	14,101	650	47,259	+508	+359%	+33,157	+235%	
Crude oil - Japan		116	10,495	101	7,662	[1]	(15)	(13%)	(2,832)	(27%)
Crude oil - Overseas* ¹		14	2,651	539	38,844	[2]	+524	+3,599%	+36,193	+1,365%
Purchased crude oil		10	955	10	751	(0)	(4%)	(203)	(21%)	
Natural Gas - Overseas* ²	Million M3	1	40	25	276	+24	+1,626%	+236	+587%	

Main factors for change

[1] Decrease in sales price and sales volume

[2] Increase in sales volume of Iraq Garraf project and U.S. tight oil development

*1 Include the amounts of Japex Garraf Ltd., and Japex (U.S.) Corp.

*2 Include the amounts of Japex (U.S.) Corp.

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

Net sales : Million Yen	Unit	1-2Q FY3/23 (a)		1-2Q FY3/24 (a)		Change			
		Sales volume	Net sales	Sales volume	Net sales	Sales volume		Net sales	
Infrastructure & Utility Business	-	-	76,779	-	74,686	-	-	(2,093)	(3%)

Breakdown

Natural Gas - Japan	Million M3	446	35,966	399	36,389	(46)	(10%)	+422	+1%	
- Produced in Japan		211	-	193	-	(18)	(9%)	-	-	
LNG	Thousand Ton	94	13,486	61	6,049	[1]	(32)	(35%)	(7,436)	(55%)
Electricity	Million kWh	1,452	25,251	1,946	29,251	[2]	+493	+34%	+3,999	+16%
Other*	-	-	2,074	-	2,996	-	-	+921	+44%	

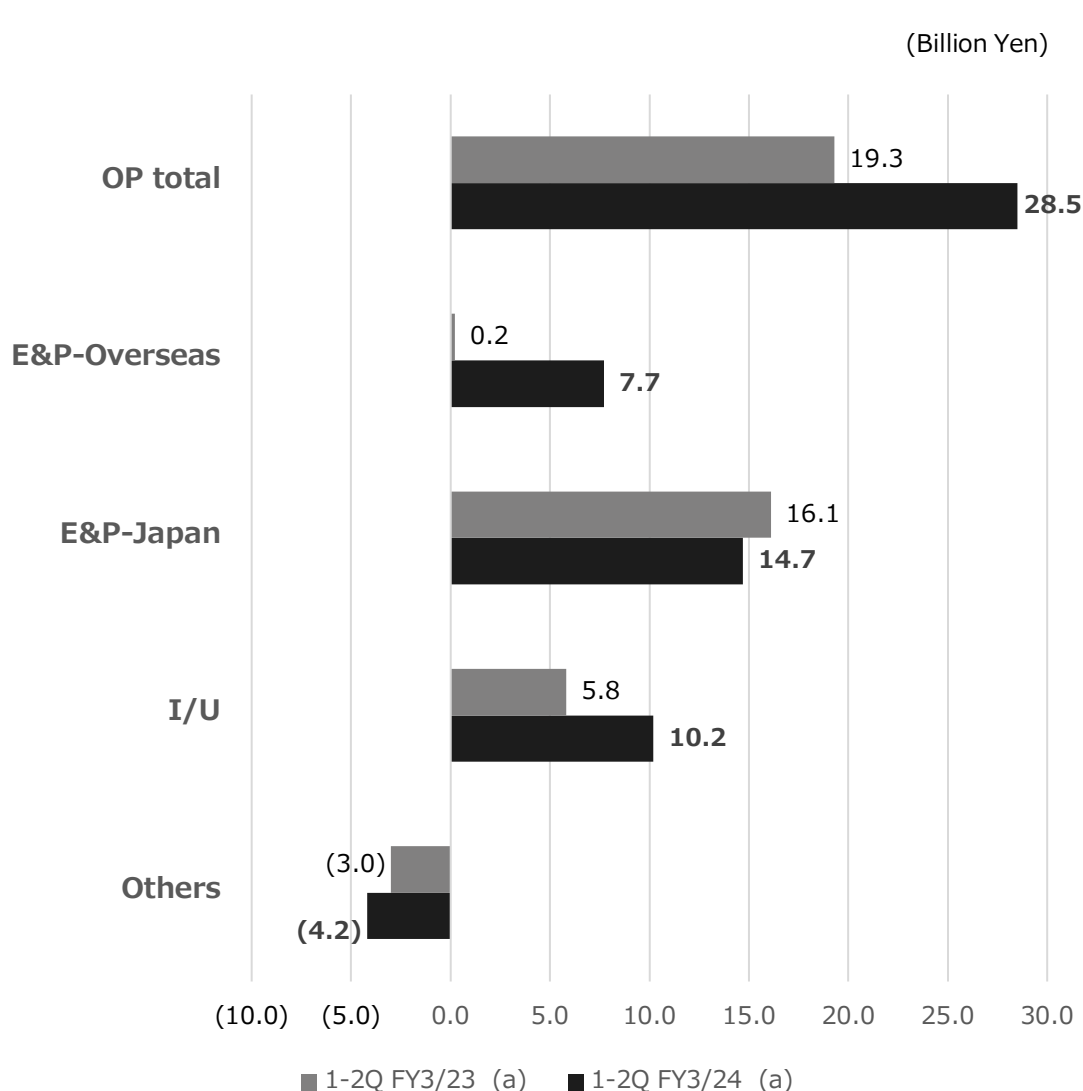
Main factors for change

[1] Decrease in sales volume etc.

[2] Increase in sales volume

* Including net sales from commissioned business including transport of natural gas and regasification of LNG

Operating Profit (Year-on-Year)



E&P Business

Overseas : +7.4 bn. (0.2 bn.) → 7.7 bn.

- Increase in sales volume of tight oil development in U.S. (+)
- Foreign exchange gap related to cost recovery and increased production remuneration for the Iraqi Garraf project (+)

Domestic : (1.4 bn.) 16.1 bn. → 14.7 bn.

- Decrease in sales volume and sales price of crude oil (Japan) (–)
- Increase in sales price* of natural gas (Japan) (+)

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

I/U Business

+4.3 bn. 5.8 bn. → 10.2 bn.

- Effect of raw material slide time lag, etc (+)
- Decrease in marginal gain on LNG procurement (–)

Others *

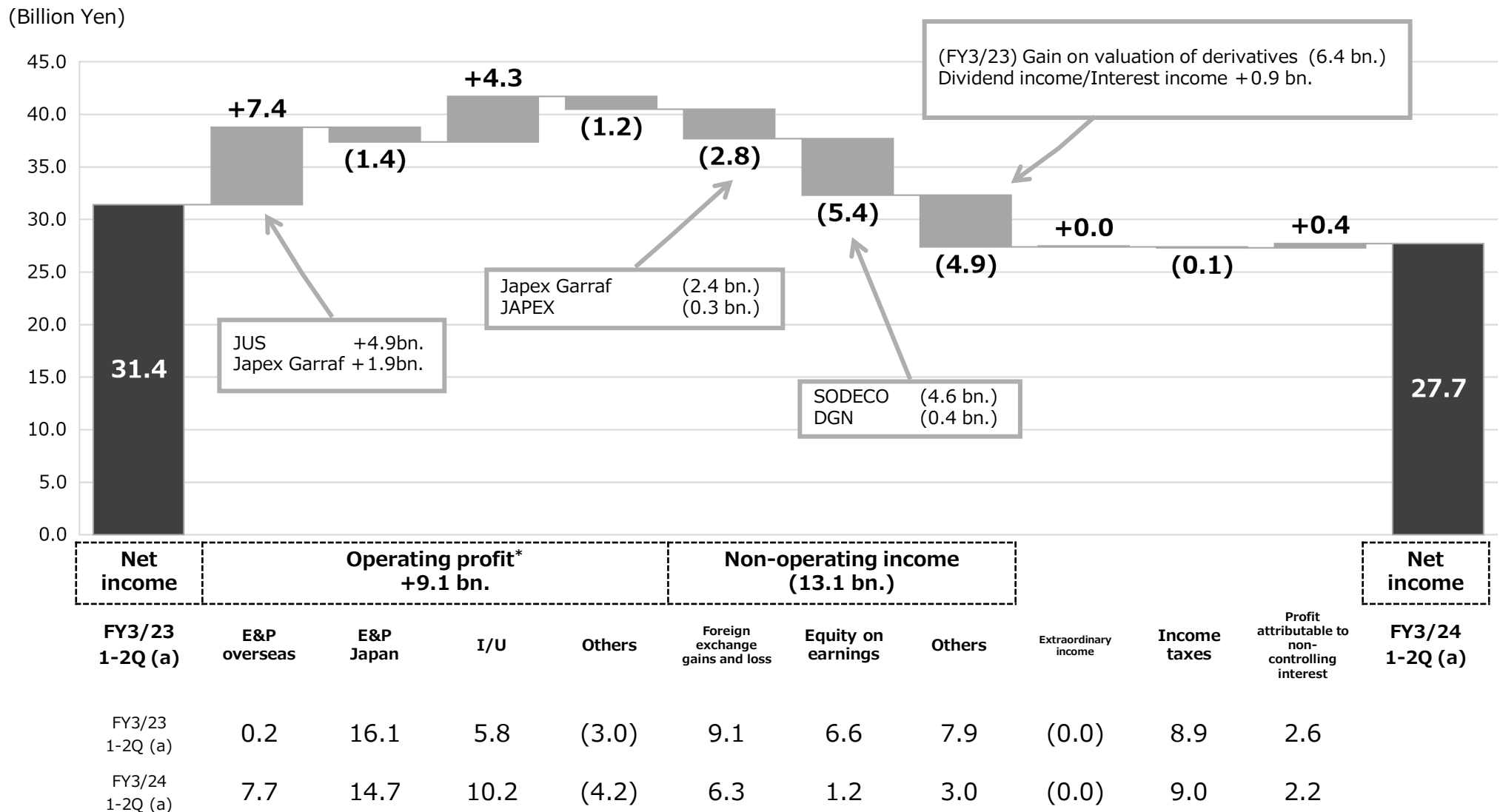
(1.2 bn.) (3.0 bn.) → (4.2 bn.)

- Increase in general and administrative expenses (–)

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

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

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



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

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FY3/24 Forecasts (vs Aug. 9 Forecasts)

Million Yen	Previous (f) Aug. 9, 2023	Revised (f) Nov. 10, 2023	Change	
Net sales	306,100	325,400	+19,300	+6%
Gross profit	74,200	83,800	+9,600	+13%
Operating profit	38,900	48,800	+9,900	+25%
Ordinary profit	44,800	57,000	+12,200	+27%
Profit attributable to owners of parent	34,000	45,000	+11,000	+32%

Oil Price and Exchange Rate

		Previous (f) Aug. 9, 2023	Revised (f) Nov. 10, 2023	Change
WTI	USD/bbl	75.60	77.46	+1.86
Crude oil price (CIF)	USD/bbl	77.45	84.35	+6.90
Exchange rate	JPY/USD	131.16	139.51	+8.35

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

Net sales : Million Yen	Unit	Previous (f) Aug. 9, 2023		Revised (f) Nov. 10, 2023		Change			
		Sales volume	Net sales	Sales volume	Net sales	Sales volume		Net sales	
E&P Business	-	-	93,514	-	94,172	-	-	+658	+1%

Breakdown

Crude oil	Thousand KL	1,591	91,549	1,331	93,411	(259)	(16%)	+1,862	+2%
Crude oil - Japan		206	13,255	219	16,479	+12	+6%	[1] +3,224	+24%
Crude oil - overseas* ¹		1,367	77,110	1,092	75,445	[2] (274)	(20%)	(1,665)	(2%)
Purchased crude oil		17	1,183	19	1,487	+1	+11%	+303	+26%
Natural Gas - Overseas* ²	Million M3	86	1,965	60	761	[3] (26)	(31%)	(1,204)	(61%)

Main factors for change

[1] Increase in sales price

[2] Absence of sales volume due to delay in the start of production at the Seagull project in U.K. North Sea / Decrease in Cargo Received for Iraqi Garraf Project

[3] Absence of sales volume due to delay in the start of production at the Seagull project in U.K. North Sea

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

*2 Include the amounts of Japex (U.S.) Corp.

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

Net sales : Million Yen	Unit	Previous (f) Aug. 9, 2023		Revised (f) Nov. 10, 2023		Change			
		Sales volume	Net sales	Sales volume	Net sales	Sales volume		Net sales	
Infrastructure & Utility Business	-	-	150,567	-	168,005	-	-	+17,437	+12%

Breakdown

Natural Gas - Japan	Million M3	976	78,775	961	80,950	(15)	(2%)	+2,174	+3%	
- Produced in Japan		459	-	448	-	(10)	(2%)	-	-	
LNG	Thousand Ton	218	19,291	279	28,617	[1]	+61	+28%	+9,325	+48%
Electricity	Million kWh	3,137	46,126	3,468	52,160	[2]	+331	+11%	+6,033	+13%
Others*	-	-	6,373	-	6,277	-	-	(96)	(2%)	

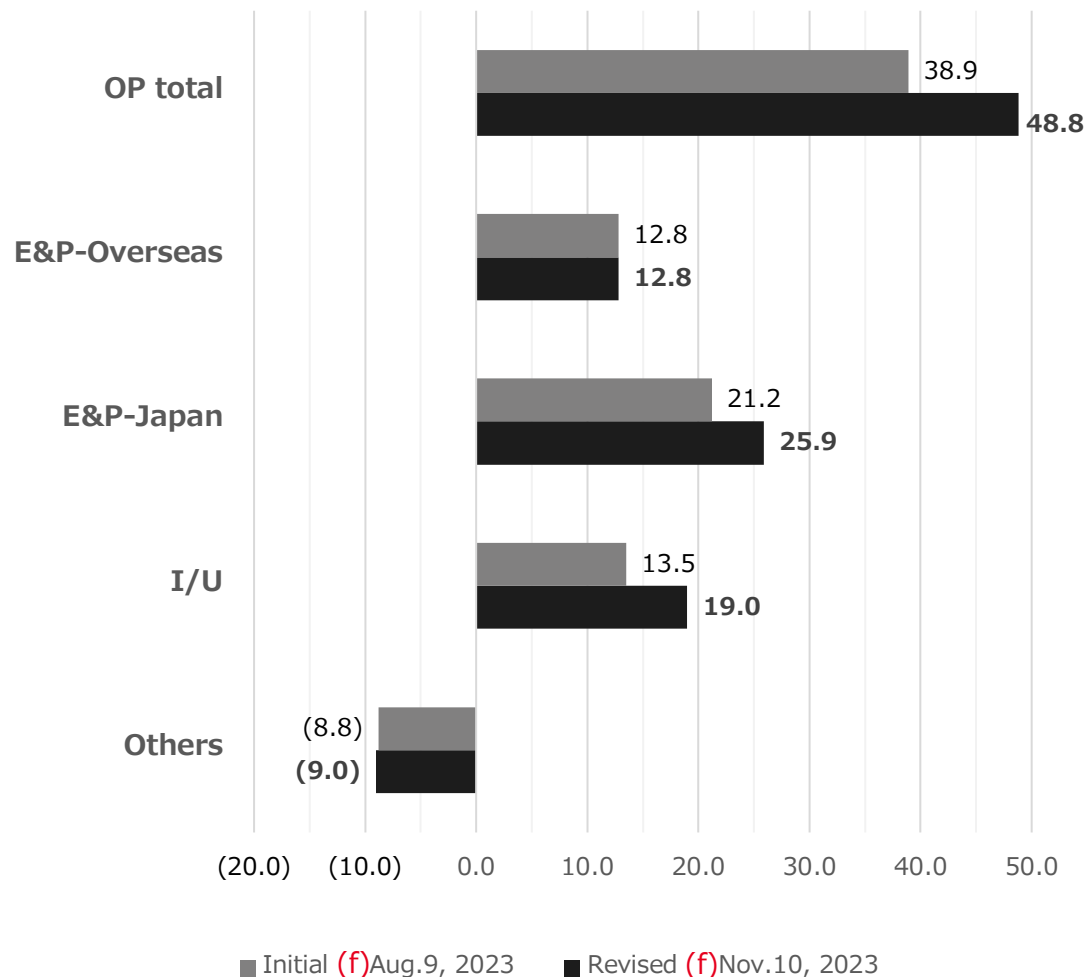
Main factors for change

[1]-[2] Increase in sales volume and sales price

* Including net sales from commissioned business including transport of natural gas and regasification of LNG

Operating Profit Forecasts (vs Aug. 9 Forecasts)

(Billion Yen)

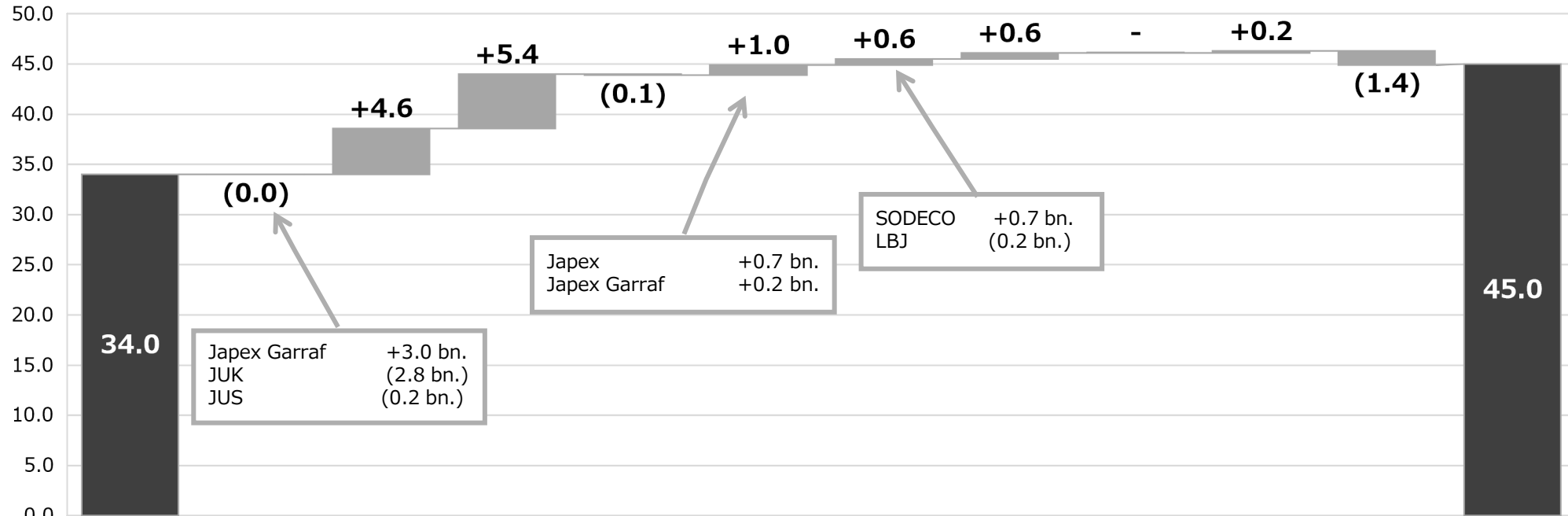


E&P Business	
Overseas : (0 bn.)	12.8 bn. → 12.8 bn.
<ul style="list-style-type: none"> • Absence of sales volume due to delay in the start of production at the Seagull project in U.K. North Sea (–) • Foreign exchange gap related to cost recovery and increased production remuneration for the Iraqi Garraf project (+) 	
Domestic : +4.6 bn.	21.2 bn. → 25.9 bn.
<ul style="list-style-type: none"> • Increase in sales price of crude oil (Japan)(+) • Increase in sales price of natural gas (Japan) (+) 	
* Internal transaction price from E&P Business to Infrastructure/Utilities Business for the internal management	
I/U Business	
+5.4 bn.	13.5 bn. → 19.0 bn.
<ul style="list-style-type: none"> • Resale of surplus LNG cargo (+) • Increase in marginal gain on LNG procurement (+) 	
Others*	
(0.1 bn.)	(8.8 bn.) → (9.0 bn.)
* Operating profit (contracting, oil products and commodities, and others) not belonging to the above business units, less headquarters administrative expenses	

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

Analysis of Change in Net Income Forecasts (vs Aug. 9 Forecasts)

(Billion Yen)



Net income	Operating profit* +9.9 bn.							Non-operating income +2.3 bn.			Net income
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FY3/24 (f) Aug. 9	E&P overseas	E&P Japan	I/U	Others	Foreign exchange gains and loss	Equity on earnings	Others	Extraordinary income	Income taxes	Profit attributable to non- controlling interest	FY3/24 (f) Nov. 10
FY3/24 (f) Aug. 9	12.8	21.2	13.5	(8.8)	2.0	0.3	3.6	(0.1)	9.8	0.9	
FY3/24 (f) Nov. 10	12.8	25.9	19.0	(9.0)	3.0	0.9	4.3	(0.1)	9.6	2.3	

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

FY3/24 Forecasts (Year-on-Year)

Million Yen	FY3/23 (a)	FY3/24 Revised (f)	Change	
Net sales	336,492	325,400	(11,092)	(3%)
Gross profit	96,111	83,800	(12,311)	(13%)
Operating profit	62,085	48,800	(13,285)	(21%)
Ordinary profit	83,130	57,000	(26,130)	(31%)
Profit attributable to owners of parent	67,394	45,000	(22,394)	(33%)

Oil Price and Exchange Rate

		FY3/23 (a)	FY3/24 Revised (f)	Change
WTI	USD/bbl	94.42	77.46	(16.96)
Crude oil price (CIF)	USD/bbl	102.26	84.35	(17.91)
Exchange rate	JPY/USD	132.86	139.51	+6.65

E&P Business Sales Forecasts (Year-on-Year)

Net sales : Million Yen	Unit	FY3/23 (a)		FY3/24 Revised (f)		Change			
		Sales volume	Net sales	Sales volume	Net sales	Sales volume		Net sales	
E&P Business	-	-	56,063	-	94,172	-	-	38,109	+68%

Breakdown

Crude oil	Thousand KL	695	55,703	1,331	93,411	+636	+91%	+37,708	+68%
Crude oil - Japan		238	20,760	219	16,479	[1] (19)	(8%)	(4,280)	(21%)
Crude oil - overseas ^{*1}		436	33,084	1,092	75,445	[2] +656	+150%	+42,360	+128%
Purchased crude oil		20	1,858	19	1,487	(1)	(6%)	(370)	(20%)
Natural Gas - Overseas ^{*2}	Million M3	11	360	60	761	[3] +48	+424%	+400	+111%

Main factors for change

- [1] Decrease in sales volume and sales price
 [2] Increase in sales volume of tight oil development in U.S. and Garraf Project in Iraq.
 [3] Increase in sales volume of tight oil development in U.S.

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

*2 Include the amounts of Japex (U.S.) Corp.

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

Net sales : Million Yen	Unit	FY3/23 (a)		FY3/24 Revised (f)		Change			
		Sales volume	Net sales	Sales volume	Net sales	Sales volume	Net sales		
Infrastructure & Utility Business	-	-	213,657	-	168,005	-	-	(45,652)	(21%)

Breakdown

Natural Gas - Japan	Million M3	989	97,360	961	80,950	(27)	(3%)	[1]	(16,410)	(17%)
- Produced in Japan		461	-	448	-	(12)	(3%)		-	-
LNG	Thousand Ton	340	51,572	279	28,617	[2]	(60)	(18%)	(22,955)	(45%)
Electricity	Million kWh	3,005	58,735	3,468	52,160	+462	+15%	[3]	(6,575)	(11%)
Others*	-	-	5,988	-	6,277	-	-		+288	+5%

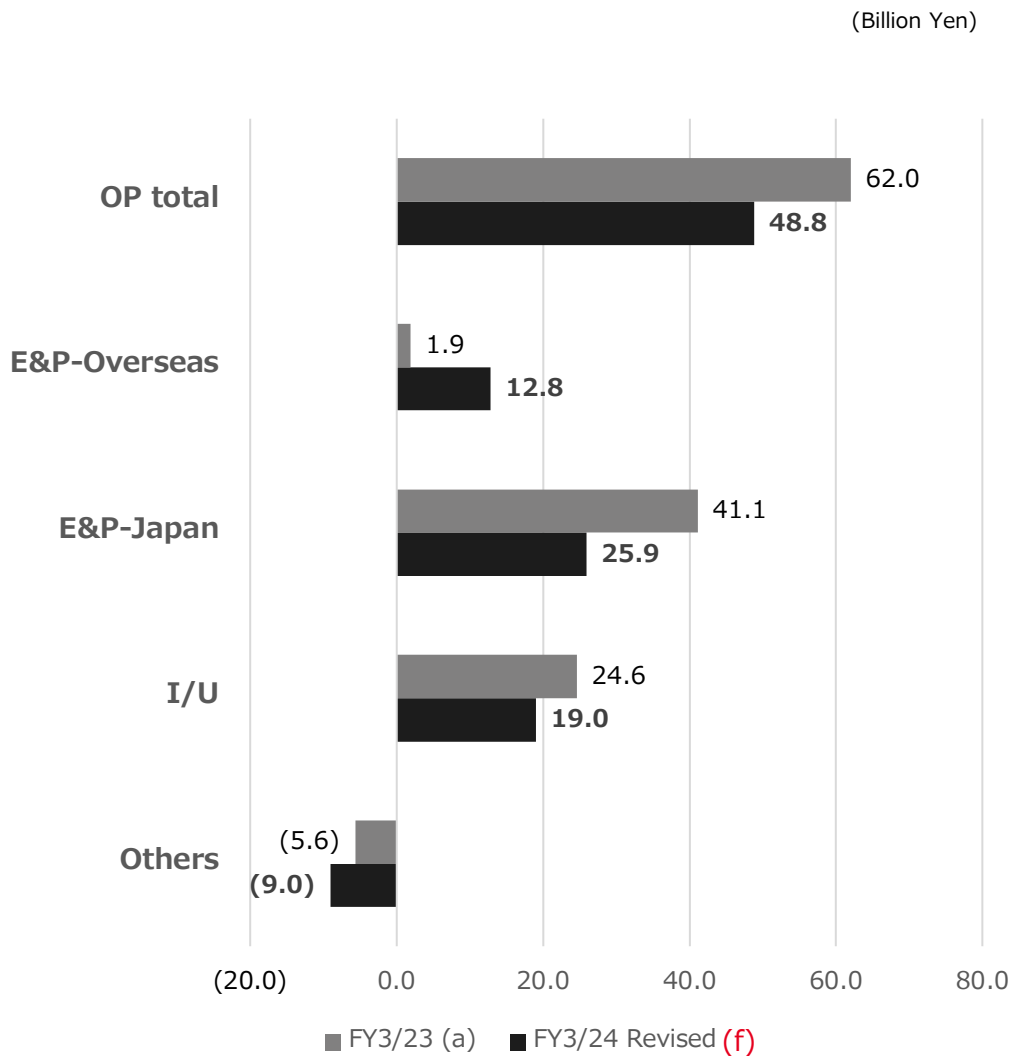
Main factors for change

[1]-[2] Decrease in sales price of natural gas (Japan) and LNG, decrease in sales volume of LNG

[3] Decrease in sales price

* Including net sales from commissioned business including transport of natural gas and regasification of LNG

Operating Profit Forecasts (Year-on-Year)



E&P Business

Overseas : +10.8 bn. 1.9 bn. → 12.8 bn.

- Increase in sales volume of tight oil development in U.S. (+)
- Absence of one-time expenses of Japex Garraf Ltd. (+)

Domestic : (15.2 bn.) 41.1 bn. → 25.9 bn.

- Decrease in sales volume and sales price of crude oil (Japan) (-)
- Decrease in sales volume and sales price* of natural gas (Japan) (-)

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

I/U Business

(5.5 bn.) 24.6 bn. → 19.0 bn.

- Decrease in margin on LNG procurement (-)

Others*

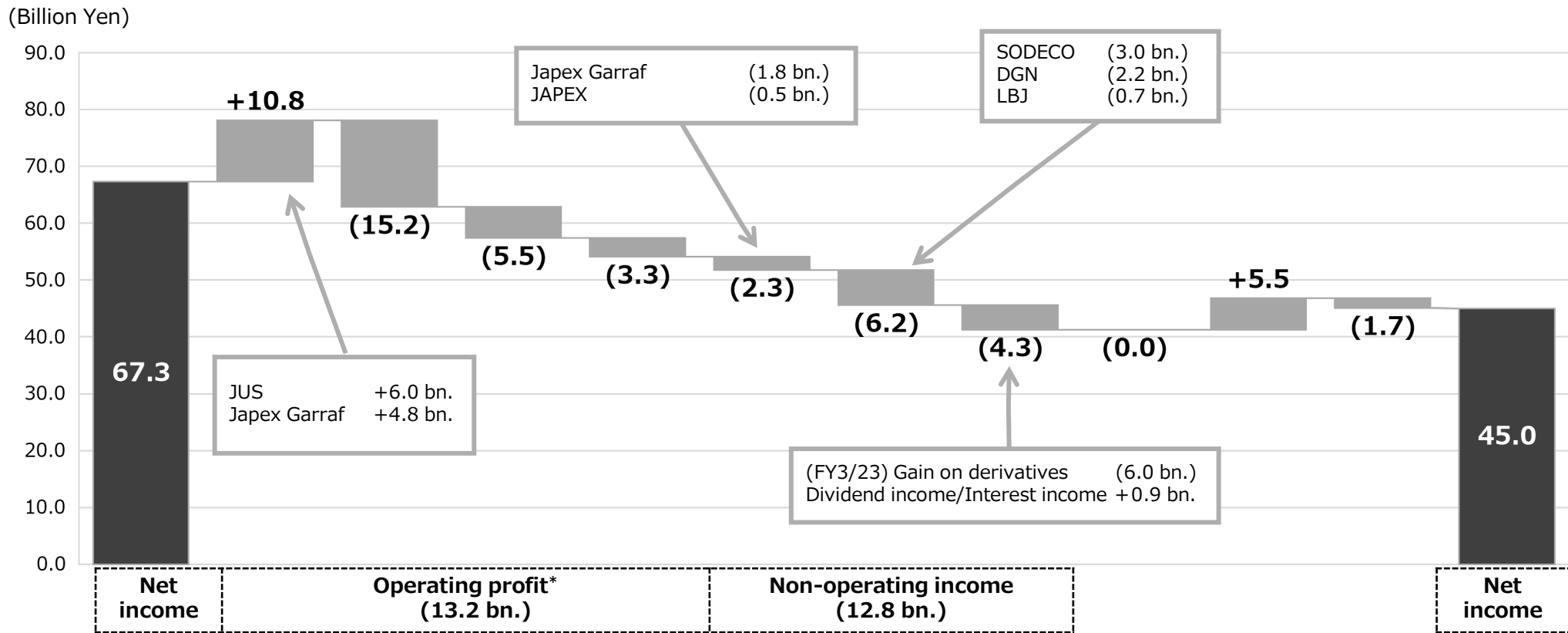
(3.3 bn.) (5.6 bn.) → (9.0 bn.)

- Increase in general and administrative expenses (Personnel and digital-related expenditures) (-)
- Decrease in profit of contract services at subsidiaries (-)

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

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

Analysis of Change in Net Income Forecasts (Year-on-Year)



Net income	Operating profit* (13.2 bn.)					Non-operating income (12.8 bn.)					Net income
FY3/23 (a)	E&P overseas	E&P Japan	I/U	Others	Foreign exchange gains and loss	Equity on earnings	Others	Extraordinary income	Income taxes	Profit attributable to non-controlling interest	FY3/24 Revised (f)
67.3	1.9	41.1	24.6	(5.6)	5.3	7.1	8.6	(0.0)	15.1	0.5	67.3
45.0	12.8	25.9	19.0	(9.0)	3.0	0.9	4.3	(0.1)	9.6	2.3	45.0

FY3/23 (a)	E&P overseas	E&P Japan	I/U	Others	Foreign exchange gains and loss	Equity on earnings	Others	Extraordinary income	Income taxes	Profit attributable to non-controlling interest	FY3/24 Revised (f)
67.3	1.9	41.1	24.6	(5.6)	5.3	7.1	8.6	(0.0)	15.1	0.5	67.3
45.0	12.8	25.9	19.0	(9.0)	3.0	0.9	4.3	(0.1)	9.6	2.3	45.0

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

Balance sheet

Million yen	As of Mar. 31, 2023(a)	As of Sep. 30, 2023(a)	Change
Current assets	281,791	261,075	(20,716)
Non-current assets	286,388	358,694	+72,305
Property, plant and equipment	118,411	143,032	+24,620
Investment securities	115,940	167,981	+52,040
Recoverable accounts	23,455	16,355	(7,099)
other	28,580	31,324	+2,743
Total assets	568,180	619,769	+51,589
Current liabilities	64,250	42,259	(21,990)
Non-current liabilities	46,759	61,706	+14,946
Total net assets	457,169	515,803	+58,633
Valuation difference on available-for-sale securities	46,324	80,147	+33,822
Non-controlling interests	31,536	33,612	+2,076
Total liabilities and net assets	568,180	619,769	+51,589

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

Increase in market value of investment securities
Capital participation in Norwegian business, etc.

Recording of net income for the period (+)
Increase in unrealized gains on available-for-sale securities(+)
Increase in foreign currency translation adjustments (+)
Decrease due to dividend payment(-)

Cash Flows and Debt

Million Yen	FY3/23 (a)	FY3/24 (a)	FY3/23 (a)	FY3/24 (f)	
	1-2Q	1-2Q	Full year	Full year	
				Aug.9	Nov.10
Cash flows from operating activities	42,806	44,973	104,581	84,655	88,635
Profit before income taxes	43,068	39,121	83,084	44,700	56,900
Depreciation	5,497	11,979	14,257	26,587	24,491
Recovery of recoverable accounts	-	18,888	18,295	41,581	39,736
Cash flows from investing activities	(22,080)	(33,767)	(52,723)	(116,539)	(115,444)
Purchase of property, plant and equipment	(14,735)	(31,984)	(35,973)	(84,136)	(85,385)
Payments of recoverable accounts	(13,657)	(11,917)	(27,729)	(33,538)	(32,413)
Cash flows from financing activities	(5,985)	(12,322)	(14,506)	(19,145)	(30,392)
Cash and cash equivalents at end of period	168,384	190,129	186,166	135,137	128,965

Interest-bearing debt* ¹	-	-	10,413	10,149	10,149
EBITDA* ²	-	-	85,316	74,177	83,241
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 FY3/24 Forecasts**
- 5. Sensitivities Analysis on FY3/24 Forecasts Basis**
- 6. Business Overview**
- 7. Integrated Report and IR Materials**
- 8. Glossary**

1. Net Sales - E&P

	Million Yen	FY3/23 (a)				FY3/24				
		1Q	2Q	1-2Q	Full year	1Q	2Q	1-2Q	Full year (f)	
									Aug. 9	Nov. 10
Sales		7,266	6,876	14,142	56,063	10,724	36,811	47,536	93,514	94,172
Sales volume of Crude oil (Thousand KL)		79	62	141	695	152	497	650	1,591	1,331
Net sales		7,251	6,850	14,101	55,703	10,608	36,650	47,259	91,549	93,411
Sales volume of Crude oil - Japan (Thousand KL)		67	49	116	238	50	50	101	206	219
Net sales		5,640	4,855	10,495	20,760	3,700	3,962	7,662	13,255	16,479
Sales volume of Crude oil - overseas *1 (Thousand KL)		7	7	14	436	97	441	539	1,367	1,092
Net sales		1,192	1,458	2,651	33,084	6,532	32,312	38,844	77,110	75,445
Sales volume of Purchased crude oil (Thousand KL)		5	5	10	20	5	5	10	17	19
Net sales		418	536	955	1,858	375	375	751	1,183	1,487
Sales volume of Natural gas -overseas *2 (Million M3)		0	0	1	11	10	15	25	86	60
Net sales		14	25	40	360	116	160	276	1,965	761
WTI (USD/bbl)		94.41	108.65	101.53	94.42	76.11	73.78	74.94	75.60	77.46
Crude oil price (CIF) (USD/bbl) *3		101.55	115.31	107.25	102.26	85.17	81.77	83.49	77.45	84.35

*1 FY3/23 includes the amounts of Japex Garraf Ltd. and Japex (U.S.) Corp.

*2 FY3/23 include the amount of Japex (U.S.) Corp

*3 Domestic sales price average of crude oil referring to crude oil price (CIF)

1. Net Sales - I/U

	Million Yen	FY3/23 (a)				FY3/24				
		1Q	2Q	1-2Q	Full year	1Q	2Q	1-2Q	Full year (f)	
									Aug. 9	Nov. 10
Sales		36,009	40,770	76,779	213,657	36,398	38,288	74,686	150,567	168,005
Sales volume of Natural gas - Japan (Million M3)		231	214	446	989	202	197	399	976	961
Net sales		17,923	18,043	35,966	97,360	20,200	16,189	36,389	78,775	80,950
Sales volume of Natural gas produced in Japan (Million M3)		109	101	211	461	102	90	193	459	448
Sales volume of LNG (Thousand ton)		49	44	94	340	30	30	61	218	279
Net sales		6,062	7,424	13,486	51,572	1,498	4,551	6,049	19,291	28,617
Sales volume of Electricity (Million kWh)		665	787	1,452	3,005	774	1,171	1,946	3,137	3,468
Net sales		10,986	14,265	25,251	58,735	13,137	16,113	29,251	46,126	52,160
Others*		1,037	1,037	2,074	5,988	1,561	1,434	2,996	6,373	6,277
JLC Price (JPY / ton)		101,863	143,821	122,842	126,286	89,887	89,115	89,501	80,422	89,909

* Including net sales from commissioned business including transport of natural gas and regasification of LNG

2. Financial Results

Million Yen	FY3/23 (a)				FY3/24				
	1Q	2Q	1-2Q	Full year	1Q	2Q	1-2Q	Full year (f)	
								Aug. 9	Nov. 10
Net sales	58,617	62,091	120,708	336,492	61,321	89,387	150,708	306,100	325,400
E&P Business	7,266	6,876	14,142	56,063	10,724	36,811	47,536	93,514	94,172
Infrastructure/Utility Business	36,009	40,770	76,779	213,657	36,398	38,288	74,686	150,567	168,005
Others	15,341	14,444	29,786	66,771	14,199	14,286	28,486	62,018	63,221
Cost of sales	41,920	44,807	86,727	240,380	40,812	66,591	107,404	231,900	241,600
Gross profit	16,696	17,283	33,980	96,111	20,508	22,795	43,304	74,200	83,800
Exploration expenses	97	1,042	1,140	2,885	255	726	982	4,800	4,700
SG&A expenses	6,788	6,746	13,535	31,139	7,349	6,470	13,820	30,500	30,300
Operating profit	9,810	9,494	19,304	62,085	12,903	15,597	28,501	38,900	48,800
Non-operation income (expense)	12,789	10,989	23,779	21,044	5,315	5,318	10,634	5,900	8,200
Interest income	149	257	406	1,173	520	464	985	900	1,400
Interest expenses	(1)	(1)	(2)	(5)	(24)	(34)	(58)	(1,100)	(1,000)
Dividend income	47	1,603	1,651	3,520	57	1,977	2,035	3,600	4,200
Share of profit of entities accounted for using equity method	5,988	696	6,684	7,109	338	932	1,270	300	900
Provision for overseas investment	-	0	0	(44)	(15)	0	(15)	(100)	(100)
Foreign exchange gains and loss	6,748	2,428	9,176	5,332	4,764	1,587	6,352	2,000	3,000
Other	(142)	6,004	5,861	3,958	(325)	390	64	300	(200)
Ordinary profit	22,600	20,483	43,084	83,130	18,219	20,916	39,135	44,800	57,000
Extraordinary income (loss)	(1)	(14)	(15)	(46)	(9)	(3)	(13)	(100)	(100)
Profit before income taxes	22,598	20,469	43,068	83,084	18,209	20,912	39,121	44,700	56,900
Income taxes	5,304	3,665	8,970	15,102	4,335	4,757	9,092	9,800	9,600
Profit attributable to non-controlling interests	1,653	1,013	2,667	587	874	1,384	2,258	900	2,300
Profit (loss) attributable to owners of parent	15,640	15,790	31,430	67,394	12,999	14,770	27,770	34,000	45,000

3. Segment Profit

Million Yen		FY3/23 (a)				FY3/24				
		1Q	2Q	1-2Q	Full year	1Q	2Q	1-2Q	Full year(f)	
									Aug. 9	Nov. 10
Japan	Operating profit (loss)	11,472	11,215	22,688	68,855	13,732	12,608	26,341	38,157	48,164
	Share of profit (loss) of entities accounted for using equity method	291	24	315	326	136	50	187	291	276
North America	Operating profit (loss)	227	320	548	4,210	1,952	3,536	5,488	10,543	10,253
	Share of profit of entities accounted for using equity method	-	-	-	-	-	-	-	-	-
Europe	Operating profit (loss)	(33)	(55)	(88)	(170)	(111)	(137)	(248)	1,823	(984)
	Share of profit (loss) of entities accounted for using equity method	-	-	-	-	-	-	-	(497)	(728)
Middle East	Operating profit (loss)	522	611	1,134	(112)	447	2,672	3,119	1,741	4,773
	Share of loss of entities accounted for using equity method	(3)	(3)	(6)	(11)	(1)	(3)	(4)	(5)	(4)
Others* ¹	Operating profit (loss)	-	-	-	-	-	-	-	-	-
	Share of profit (loss) of entities accounted for using equity method	5,699	675	6,375	6,793	202	884	1,087	510	1,354
Adjustments and Eliminations* ²		(2,378)	(2,598)	(4,977)	(10,697)	(3,118)	(3,082)	(6,200)	(13,366)	(13,406)
Amounts on consolidated statement of income* ³		9,810	9,494	19,304	62,085	12,903	15,597	28,501	38,900	48,800

*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 FY3/24 Forecasts

Market Price			Upper: from January 2022 to March 2023					Full year
			Lower: from January 2023 to March 2024					
			Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	
Crude oil price (CIF) *1	USD/bbl	FY3/23 (a)	-	101.55	115.31	105.93	89.98	102.26
		Initial (f) Aug. 9	-	85.17	75.00	75.00	75.00	77.45
		Revised (f) Nov. 10	-	85.17 *2	81.77 *2	85.00	85.00	84.35
WTI	USD/bbl	FY3/23 (a)	94.41	108.65	91.76	82.85	-	94.42
		Initial (f) Aug. 9	76.11	76.27	75.00	75.00	-	75.60
		Revised (f) Nov. 10	76.11 *2	73.78 *2	80.00	80.00	-	77.46
JLC price	JPY/Ton	FY3/23 (a)	-	101,863	143,821	142,404	117,057	126,286
		Initial (f) Aug. 9	-	88,287	81,400	76,200	75,800	80,422
		Revised (f) Nov. 10	-	89,887 *2	89,115	89,400	91,233	89,909
Exchange rate *1	JPY/USD	FY3/23 (a)	-	122.50	133.58	143.32	133.39	132.86
		Initial (f) Aug. 9	-	134.36	130.00	130.00	130.00	131.16
		Revised (f) Nov. 10	-	134.36 *2	141.06 *2	140.00	140.00	139.51

*1 Domestic sales price average of crude oil referring to crude oil (CIF)

*2 Actual

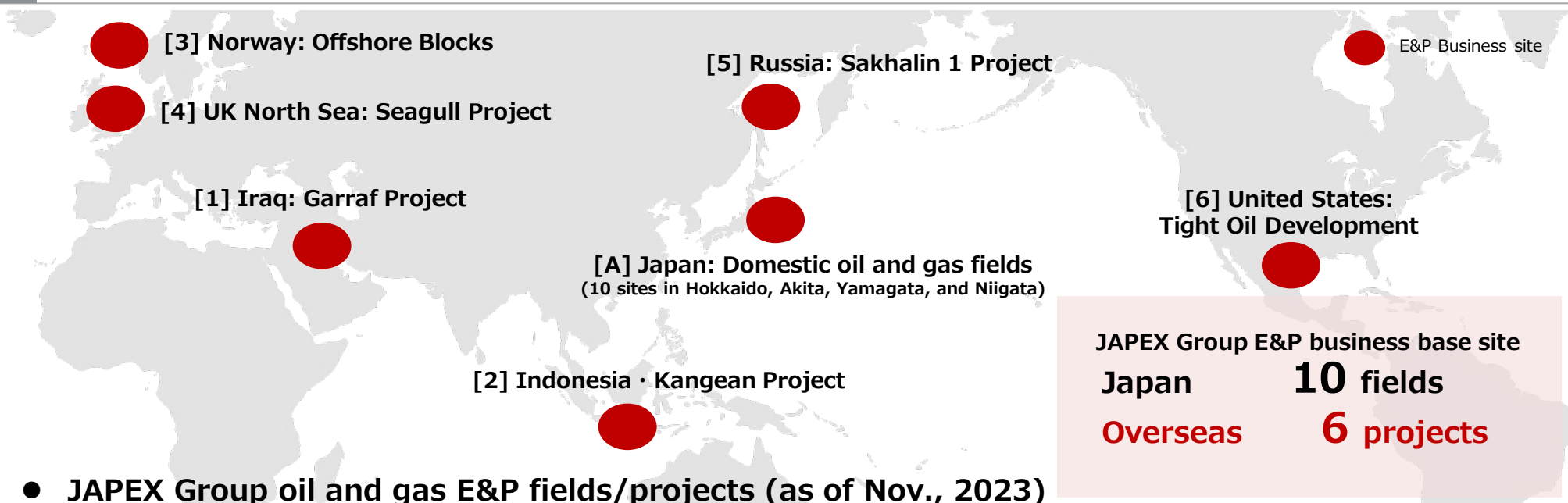
5. Sensitivities Analysis on FY3/24 Forecasts Basis

	FY3/24 3Q-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-4Q:USD 80.00/bbl Crude oil price (CIF) 3Q-4Q:USD 85.00/bbl	Increase by 1USD/bbl	70	50	+ Sales of oil and gas - Increase in LNG procurement cost
Exchange rate	JPY 140.00/USD	1 weaker JPY against USD	280	170	+ Sales of oil and gas - Increase in LNG procurement cost

【Assumptions】

- Changes in equity method profit/loss 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 E&P Field



● JAPEX Group oil and gas E&P fields/projects (as of Nov., 2023)

No.	Oil and gas field/Project title (Operator)	Interest Share (JAPEX'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	Production/Development	Undisclosed
1	Iraq: Garraff Project (PETRONAS Carigali Iraq Holding B.V.)	30% (16.5%)	Crude oil	Production/Development	Approx. 155,000bbl
2	Indonesia: Kangean Project (Kangean Energy Indonesia Ltd.)	100% (25%)	Crude oil/natural gas	Production	Approx. 2,490,000m ³ (Approx. 15,138boed)
3	Norway: Offshore Blocks (Longboat JAPEX Norge AS*2)	Differ by interest	-	Exploration / Development	-
4	UK North Sea: Seagull Project (Neptune E&P UK Limited)	15% (15%)	Crude oil/natural gas	Production/Development	-
5	Russia: Sakhalin-1 Project (Sakhalin-1 Limited Liability Company: S1LLC)	30% (4.59%)*3	Crude oil/natural gas	Production/Development	Undisclosed
6	North America: Tight Oil Development (EOG Resources Inc., etc.)	Differ by interest	Crude oil/natural gas	Production/Development	Undisclosed

*1: Average daily Production for 2Q FY2023 (No.2, 3, 4: Jan.-Jun. 2023, No.1: Apr.-Sep. 2023)

*2: Company name was changed upon completion of capital participation (49.9% stake) in Jul. 2023

*3: Pursuant to Government of the Russian Federation order on November 2022, Sakhalin Oil and Gas Development Co., Ltd.(SODECO) was approved to subscribe for 30% equity of the S1LLC.

6. Business Overview ② 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, domestic vessels
- Third-party or consignment use of our gas pipelines and LNG terminals etc.

● Respond to diversification of domestic gas supply

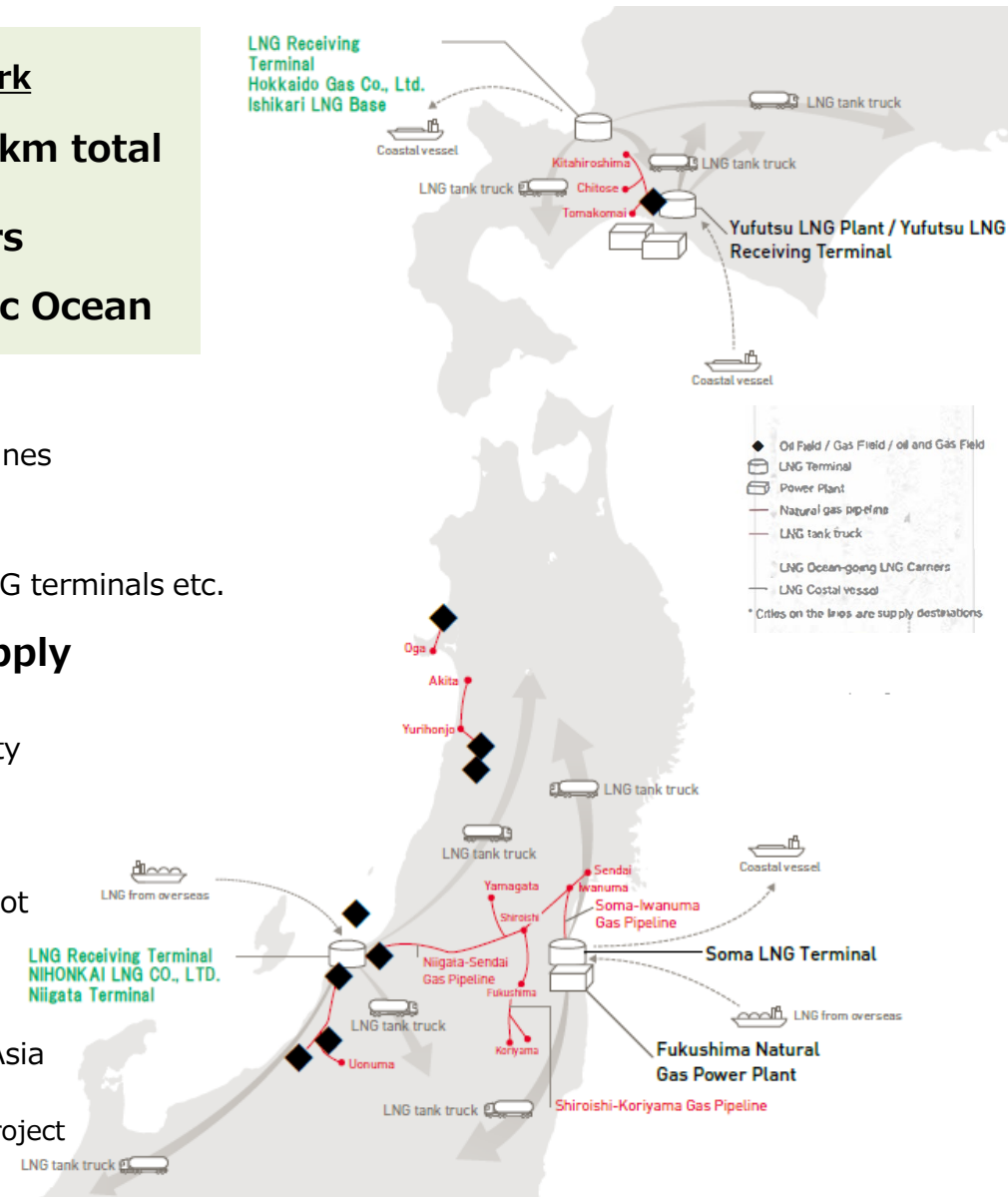
- Support fuel switching to natural gas from other fossil fuels
- Propose and provide energy services in cooperation with city gas suppliers

● 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 ③ I/U Field - Electricity

JAPEX's joining power plants are

Total 8 sites **Total output 1,389,800kW**
(Renewable energy 7 sites) **Renewable energy 209,800kW)**
 ※ Total output represents gross plant output

● Power plants in development and operation (as of Nov., 2023)

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
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	Mitsuke PV Power Plant	Mitsuke City, Niigata	PV	250	100%	In operation
5	Tahara Biomass Power Plant	Tahara City, Aichi	Biomass (wood pellet)	50,000	39.9%	In construction
6	Ozu Biomass Power Plant	Ozu City, Ehime	Biomass (wood pellet)	50,000	35%	In construction
7	Chofu Biomass Power Plant	Shimonoseki City, Yamaguchi	Biomass (wood pellet)	74,950	39.9%	In construction

● 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)

[7] Chofu Biomass Power Plant

BIO

BIO

[6] Ozu Biomass Power Plant

[5] Tahara Biomass Power Plant

BIO

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

BIO

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

PV

[3] Yufutsu Solar Power Plant

PV



[A] Fukushima Natural Gas Power Plant

LNG

PV

[4] Mitsuke PV Power Plant



● Gas power plant

■ Renewable power plant

■ Renewable power plant (under construction)

6. Business Overview ④ CN Field

● Ongoing CCS/CCUS initiatives to promote/participate in

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

- ✓ Considering of possibility of a business that effectively utilizes CO₂ in the Niigata area with Mitsubishi Gas Chemical (May 2021~)
- ✓ Feasibility study of CCUS project in Tomakomai area, Hokkaido with Idemitsu and HEPCO (Jan 2023~)
- ✓ JAPEX, Idemitsu, and HEPCO commissioned a CCS Study in Tomakomai Area as the “Business Feasibility Study on Japanese Advanced CCS Project” in FY2023 by JOGMEC (Jul 2023)
- ✓ JAPEX, MGC, TOHOKU-EPCO, HC and NRI commissioned a Study in East-Niigata Area as the “Business Feasibility Study on Japanese Advanced CCS Project” in FY2023 by JOGMEC (Aug 2023)

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 Lemigas) (Jun 2021~)
- ✓ Signed Joint Study Agreement with JOGMEC and Pertamina Group to conduct study towards CO₂ injection test at Sukowati oil field in Indonesia (Jun 2023)
- ✓ Joint Study on CCS in Malaysia: Jointly conducted site surveys and technical studies with a view to implementing CO₂ geological storage with PETRONAS, JGC Global Corporation, and Kawasaki Kisen Kaisha (Jan 2022~)
- ✓ Agreed with JFE Steel Corporation to establish CCS value chain originated from JAPAN in conjunction with the above CCS joint study in Malaysia in FY2023 (Jun 2023)
- ✓ Signed a Memorandum of Understanding with SKK Migas for cooperation in realizing Hub & Cluster CCS/CCUS in Indonesia (Sep 2023)
- ✓ Capital participation in Blue Spruce Operating LLC of the U.S. to participate in our first CCS business study project in advanced overseas country (Oct 2023)

Common

➤ Technical and other related study

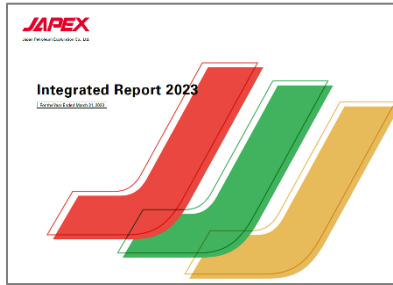
- ✓ Study on technical issues of energy transportation infrastructure for the realization of a CN society with JFE Engineering

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 2023, published in October 2023)
is available directly via the following link

https://www.japex.co.jp/en/ir/uploads/pdf/JAPEX_IR2023_e.pdf

Disclosure Materials Archive

- ◆ Financial Results
- ◆ Explanatory Materials
- ◆ Securities Report

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

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

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

Performance information, etc.

- ◆ Financial highlights for 5 years
* Past 10 years' CVS data is also available
- ◆ Shareholder Returns (Dividends)

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

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
CN	Carbon neutral
E&P	Exploration and Production
I/U	Infrastructure & Utility
JCC	Japan Crude Cocktail
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
LBJ	Longboat JAPEX Norge AS	Norway: Offshore Blocks
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 facts 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 (FY3/24, for instance, means 12 months ending March 31, 2024)

• 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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