



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

Financial Results

for the Six Months Ended September 30, 2018

<Supplementary Material>

November 9 , 2018

Cautionary Statement

This document contains future prospects such as plans, forecasts, strategies, and others which are not historical fact and forward-looking statements about the future performance of JAPEX. Actual results may significantly differ from those future prospects 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 (FY3/19, for instance, means 12 months ending March 31, 2019)

Any inquiries about the information contained herein or other Investor Relations questions are requested to be directed to:

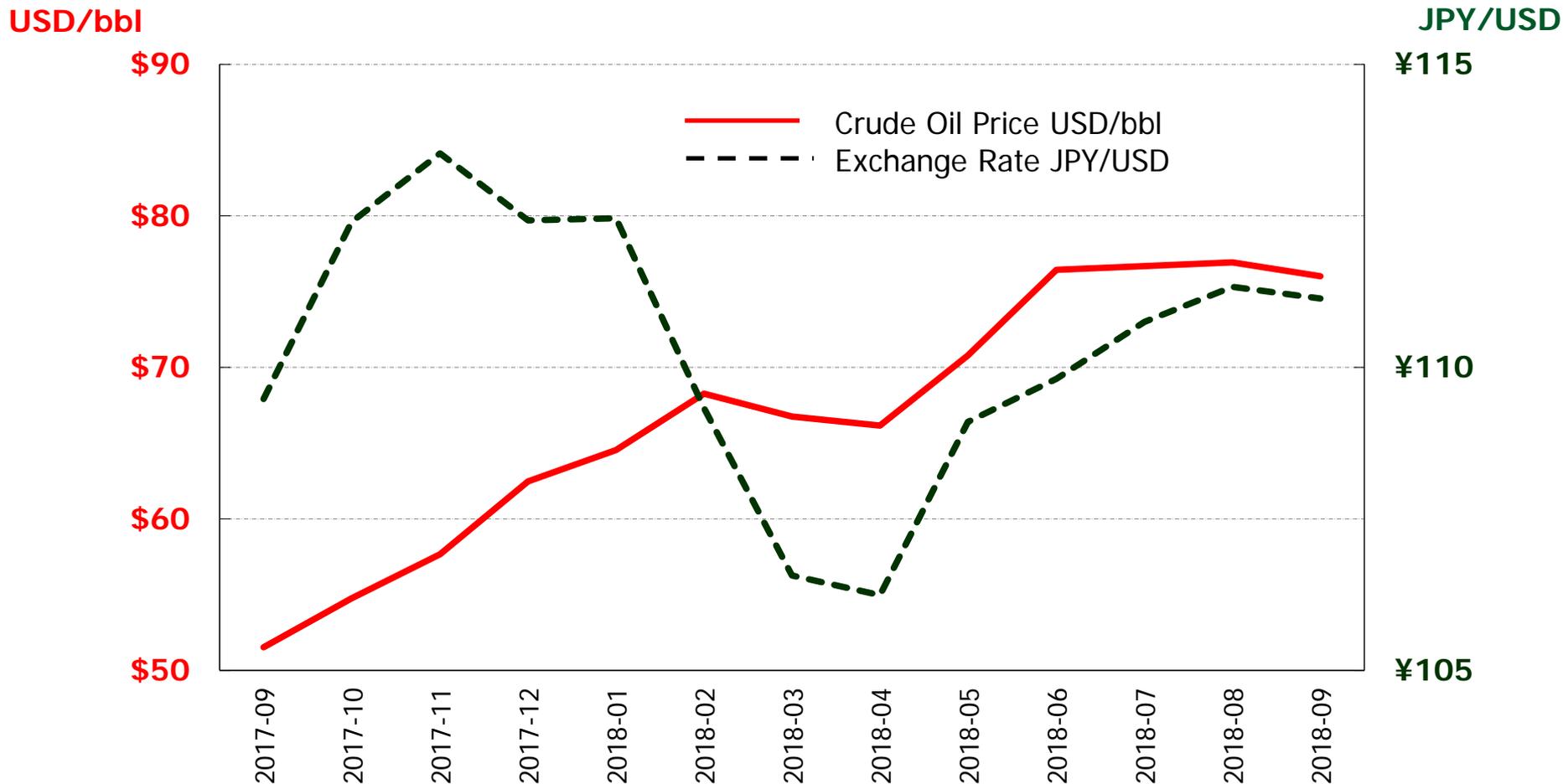
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Trends in Crude Oil Price and Foreign Exchange Rate



Assumption of crude oil price and exchange rate in the second half of FY3/19

USD 75.00/bbl **JPY 110.00/USD**

Actual Results and Forecasts for the FY3/19 (Highlights)

[Billion JPY]	FY3/18		FY3/19			Change		
	2Q (a) ①	Full (a) ②	2Q (a) ③	Full (f) Previous forecasts (August 8, 2018) ④	Full (f) Revised forecasts (November 9, 2018) ⑤*	2Q (③-①)	Full (⑤-②)	Full (⑤-④)
Net sales	112.3	230.6	115.1	284.0	288.3	+2.7	+57.7	+4.3
Operating profit (loss)	3.4	8.7	(1.1)	2.1	0.5	(4.6)	(8.2)	(1.5)
Ordinary profit	8.8	3.8	1.2	10.0	12.3	(7.5)	+8.5	+2.3
Profit (loss) attributable to owners of parent	7.7	(30.9)	2.4	11.0	12.3	(5.3)	+43.3	+1.3

Oil price and exchange rate assumptions

JCC (USD/bbl)	52.44	56.20	72.47	69.50	73.75	+20.03	+17.55	+4.25
Exchange rate (JPY/USD)	111.79	111.67	109.18	109.39	109.60	(2.61)	(2.07)	+0.21

*JAPEX announced the latest forecasts in "Notice of Financial Forecasts Revision" on November 9, 2018, regarding the consolidated financial forecasts of the fiscal year ending March 31, 2019.

Actual Sales of Natural Gas in 2Q FY3/19 (year-on-year)

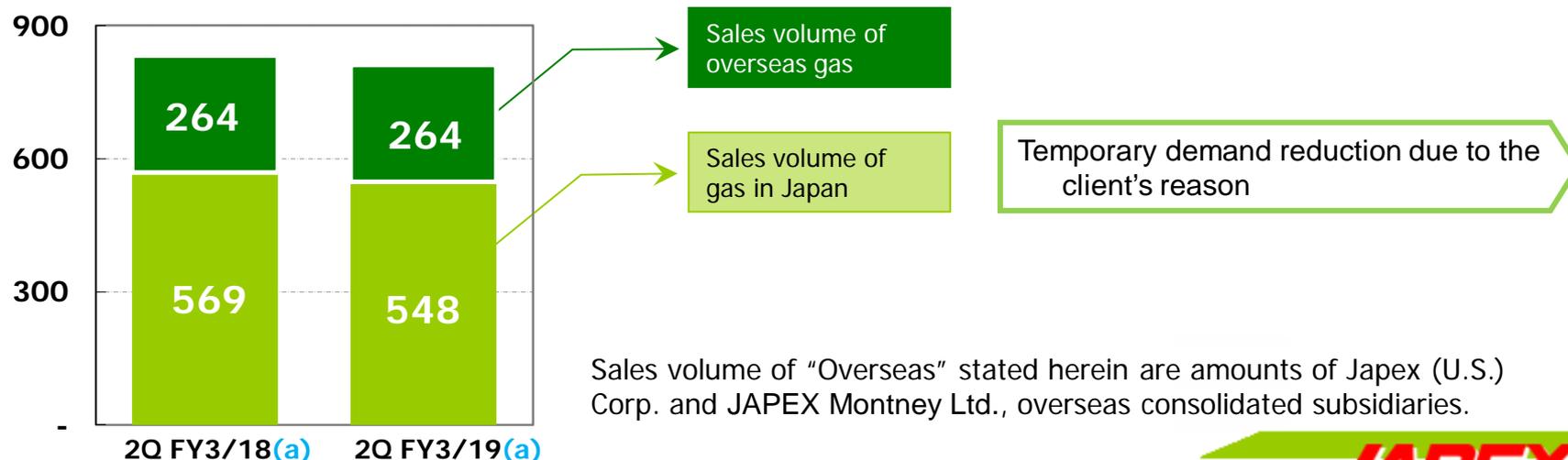
Sales volume : Million M3 Net sales : Million JPY		FY3/18 2Q (a)	FY3/19 2Q (a)	Change
Natural gas	Sales volume	833	813	(20)
	Net sales	26,839	27,835	+995

Increase in sales price

Sales volume by region

Japan	Sales volume	569	548	(20)
<i>Gas produced in Japan</i>	<i>Sales volume</i>	344	287	(56)
Overseas	Sales volume	264	264	0

Million M3



Actual Sales of Crude Oil in 2Q FY3/19 (year-on-year)

Sales volume : Thousand KL Net sales : Million JPY		FY3/18 2Q(a)	FY3/19 2Q(a)	Change
Crude oil	Sales volume	1,548	1,278	(269)
	Net sales	53,086	54,305	+1,219

Increase in sales price

Equity oil sales

Crude oil produced in Japan (*)	Sales volume	146	131	(15)
	Net sales	5,713	6,927	+1,213
Crude oil produced in overseas (**)	Sales volume	809	185	(624)
	Net sales	25,604	9,298	(16,306)
Diluted bitumen (***)	Sales volume	-	496	+496
	Net sales	-	13,257	+13,257

Decrease in crude oil sales volume of Garraf Oil Field, Iraq

Commencement of diluted bitumen sales of the Hangingstone lease in 3Q of 2017

Oil price and exchange rate assumptions

JCC	USD/bbl	52.44	72.47	+20.03
Diluted bitumen (***)	USD/bbl	-	38.37	-
Exchange rate	JPY/USD	111.79	109.18	(2.61)

(*) Sales volume and net sales of "Crude oil produced in Japan" stated herein do not include purchased crude oil

(**) Sales volume and net sales of "Crude oil produced in overseas" stated herein are amounts of 3 overseas subsidiaries (Japex (U.S.) Corp., JAPEX Montney Ltd. and Japex Garraf Ltd.)

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

Actual Results for 2Q FY3/19 (year-on-year)

[Million JPY]	FY3/18 2Q (a)	FY3/19 2Q (a)	Change
Net sales	112,382	115,136	+2,754
Gross profit	17,884	14,126	(3,757)
Exploration expenses	643	362	(280)
SG&A expenses	13,788	14,946	+1,157
Operating profit (loss)	3,452	(1,183)	(4,635)
Non-operating income (expenses)	5,435	2,476	(2,959)
Ordinary income (loss)	8,888	1,293	(7,594)
Extraordinary income (losses)	(12)	618	+630
Income taxes	1,108	394	(714)
Profit (loss) attributable to non-controlling interests	10	(915)	(926)
Profit (loss) attributable to owners of parent	7,756	2,433	(5,322)

Main factors for change
Increase factor "+" / Decrease factor "(")"

Gross profit

Domestic business (¥2.6 billion)
Overseas consolidated subsidiaries (¥1.0 billion)

SG & A expenses

Increase in transportation cost at the Hangingstone lease (¥1.1 billion)

Non-operating income (expenses)

Equity in earnings + ¥2.1 billion
Foreign currency translation adjustments on debt, foreign currency exchange gains and losses (FY3/18 2Q)Gains of ¥0.9 billion→ (FY3/19 2Q)Loss of ¥2.9 billion (¥ 3.9 billion)
Increase in interest expenses (¥ 1.1 billion)

Price Assumptions for Revised Forecasts for FY3/19

			2018				2019	Full year
			Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	
JCC	USD/bbl	Previous forecasts		67.95	70.00	70.00	70.00	69.50
		Revised forecasts		67.95	76.64	75.00	75.00	73.75
Exchange rate	JPY/USD	Previous forecasts		107.42	110.00	110.00	110.00	109.39
		Revised forecasts		107.42	110.61	110.00	110.00	109.60
JACOS Diluted bitumen	USD/bbl	Previous forecasts	33.48	43.19	39.48	38.04		38.64
		Revised forecasts	33.48	43.05	41.16	30.23		37.59
JML Gas	CAD/mcf	Previous forecasts	2.04	1.35	1.40	1.40		1.56
		Revised forecasts	2.04	1.21	1.64	1.90		1.65

1. "JACOS Diluted bitumen" stated herein is the diluted bitumen sales price of Japan Canada Oil Sands Ltd. (Excl. Royalty).
2. "JML Gas" stated herein is the gas sales price of JAPEX Montney Ltd. (Excl. Royalty)

Revised Forecasts Natural Gas Sales for FY3/19 (vs Previous Forecasts)

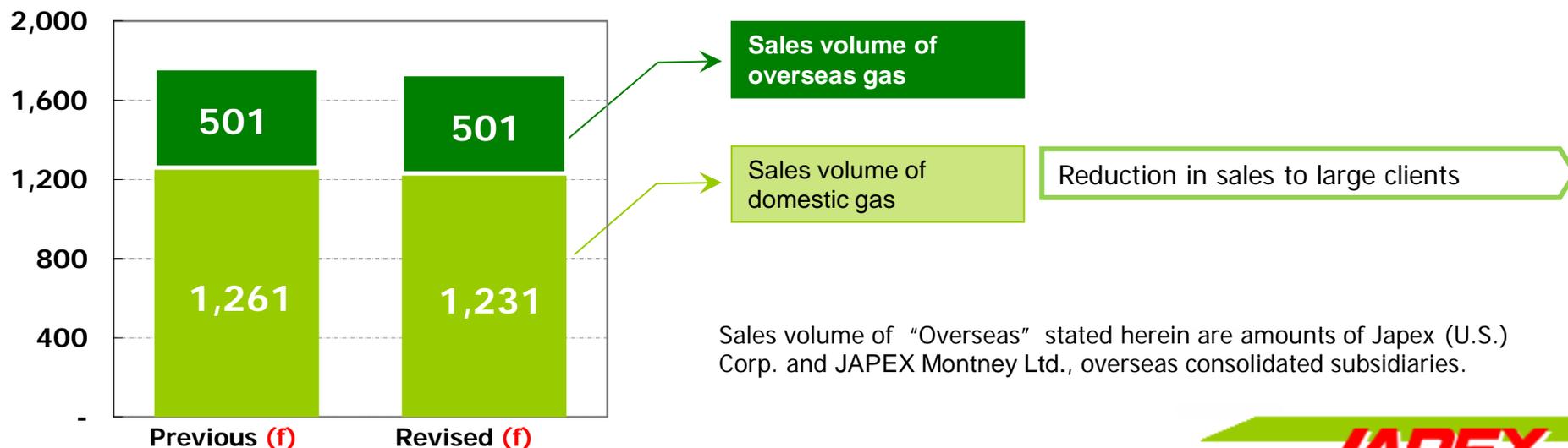
Sales volume : Million M3 Net sales : Million JPY		FY3/19 Previous forecasts Full (f) August 8, 2018	FY3/19 Revised forecasts Full (f) November 9, 2018	Change
Natural gas	Sales volume	1,762	1,731	(30)
	Net sales	66,604	66,113	(490)

Decrease in sales volume

Sales volume by region

Japan	Sales volume	1,261	1,231	(30)
<i>Gas produced in Japan</i>	<i>Sales volume</i>	632	614	(17)
Overseas	Sales volume	501	501	0

Million M3



Revised Forecasts Crude Oil Sales for FY3/19 (vs Previous Forecasts)

Revised forecasts

		FY3/19 Previous forecasts Full (f) August 8, 2018	FY3/19 Revised forecasts Full (f) November 9, 2018	Change
Sales volume : Thousand KL				
Net sales : Million JPY				
Crude oil	Sales volume	3,310	3,240	(69)
	Net sales	133,476	138,320	+4,843

Increase in sales price

Equity oil sales

Crude oil produced in Japan (*)	Sales volume	258	264	+6
	Net sales	12,986	14,093	+1,107
Crude oil produced in overseas (**)	Sales volume	720	528	(191)
	Net sales	33,447	26,149	(7,297)
Diluted bitumen (***)	Sales volume	1,284	1,183	(100)
	Net sales	34,335	30,792	(3,542)

Decrease in crude oil sales volume of Garraf Oil Field, Iraq

Decrease in sales volume due to review of JACOS production plan/
Review sales price

Oil price and exchange rate assumptions

JCC	USD/bbl	69.50	73.75	+4.25
Diluted bitumen (***)	USD/bbl	38.64	37.59	(1.05)
Exchange rate	JPY/USD	109.39	109.60	+0.21

(*) Sales volume and net sales of "Crude oil produced in Japan" stated herein do not include purchased crude oil.

(**) Sales volume and net sales of "Crude oil produced in overseas" stated herein are amounts of 3 overseas subsidiaries (Japex (U.S.) Corp., JAPEX Montney Ltd. and Japex Garraf Ltd.).

(***) Royalty is excluded in the net sales and price of diluted bitumen.

Revised Forecasts for FY3/19 (vs Previous Forecasts)

[Million JPY]	Previous forecasts Full (f) August 8, 2018	Revised forecasts Full (f) November 9, 2018	Change
Net sales	284,019	288,330	+4,310
Gross profit	34,083	32,089	(1,993)
Exploration expenses	1,055	907	(148)
SG&A expenses	30,902	30,656	(246)
Operating income (loss)	2,125	526	(1,599)
Non-operating income (expenses)	7,878	11,864	+3,985
Ordinary income	10,003	12,390	+2,387
Extraordinary income (losses)	660	613	(46)
Income taxes	968	1,454	+486
Profit (loss) attributable to non-controlling interests	(1,311)	(843)	+468
Profit (loss) attributable to owners of parent	11,007	12,393	+1,386

Main factors for change
Increase factor "+" / Decrease factor "("

Gross profit

Domestic business + ¥0.2billion
Overseas consolidated subsidiaries (¥2.2billion)

Non-operating income (expenses)

Equity on earnings + ¥2.4billion
Foreign currency translation adjustments on debt, foreign exchange gains and losses
(Previous) Loss of ¥3.6billion
→(Current) Loss of ¥1.9billion + ¥1.6billion

Revised Forecasts Natural Gas Sales for FY3/19 (year-on-year)

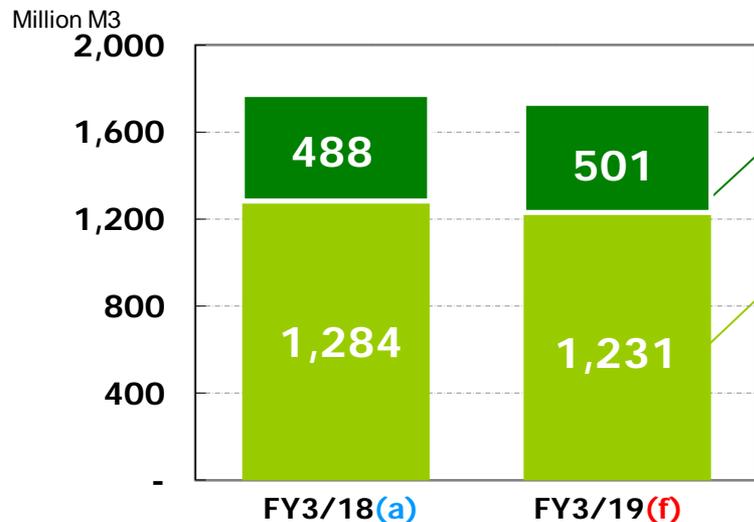
Revised forecasts

		FY3/18	FY3/19	Change
Sales volume : Million M3				
Net sales : Million JPY		Full (a)	Revised forecasts Full (f) November 9, 2018	Full
Natural gas	Sales volume	1,773	1,731	(41)
	Net sales	60,431	66,113	+5,682

Increase in sales price of gas in Japan

Sales volume by region

Japan	Sales volume	1,284	1,231	(54)
<i>Gas produced in Japan</i>	<i>Sales volume</i>	739	614	(124)
Overseas	Sales volume	488	501	+12



Sales volume of overseas gas

Increase in shale gas sales volume in Canada

Sales volume of gas in Japan

- Temporary demand reduction due to the client's reason
- Recoil reduction of increase in temporary demand from local distribution companies in previous year

Sales volume of "Overseas" stated herein are amounts of Japex (U.S.) Corp. and JAPEX Montney Ltd., overseas consolidated subsidiaries.

Revised Forecasts Crude Oil Sales for FY3/19 Revised forecasts (year-on-year)

		FY3/18	FY3/19	Change
Sales volume : Thousand KL Net sales : Million JPY		Full (a)	Revised forecasts Full (f) November 9, 2018	Full
Crude oil	Sales volume	2,506	3,240	+734
	Net sales	93,685	138,320	+44,634

Increase in sales volume,
increase in sales price

Equity oil sales

Crude oil produced in Japan (*)	Sales volume	291	264	(27)
	Net sales	12,265	14,093	+1,829
Crude oil produced in overseas (**)	Sales volume	991	528	(464)
	Net sales	33,749	26,149	(7,600)
Diluted bitumen (***)	Sales volume	160	1,183	+1,023
	Net sales	4,512	30,792	+26,280

Decrease in crude oil sales
volume of Garraf Oil Field, Iraq

Increase in sales volume of the
Hangingstone lease due to full
year production and
achievement of plateau
production

Oil price and exchange rate assumptions

JCC	USD/bbl	56.20	73.75	+17.55
Diluted bitumen (***)	USD/bbl	39.63	37.59	(2.04)
Exchange rate	JPY/USD	111.67	109.60	(2.07)

(*)Sales volume and net sales of "Crude oil produced in Japan" stated herein do not include purchased crude oil.

(**)Sales volume and net sales of "Crude oil produced in overseas" stated herein are amounts of 3 overseas subsidiaries (Japex (U.S.) Corp., JAPEX Montney Ltd. and Japex Garraf Ltd.).

(***)Royalty is excluded in the net sales and price of diluted bitumen.

Revised Forecasts for FY3/19 (year-on-year)

[Million JPY]	FY3/18 Full (a)	FY3/19 Revised forecasts Full (f) November 9, 2018	Change
Net sales	230,629	288,330	+57,700
Gross profit	39,263	32,089	(7,174)
Exploration expenses	1,324	907	(418)
SG&A expenses	29,173	30,656	+1,482
Operating income (loss)	8,764	526	(8,238)
Non-operating income (expenses)	(4,936)	11,864	+16,800
Ordinary income	3,828	12,390	+8,562
Extraordinary income (losses)	(73,231)	613	+73,845
Income taxes	239	1,454	+1,215
Profit (loss) attributable to non-controlling interests	(38,683)	(843)	+37,841
Profit (loss) attributable to owners of parent	(30,958)	12,393	+43,352

Main factors for change
Increase factor “+” / Decrease factor “()”

Gross profit

Domestic business (¥6.3 billion)

Overseas consolidated subsidiaries (¥0.8 billion)

SG&A expenses

Increase in transportation cost at the
Hangingstone lease due to full year production
(¥2.3 billion)

Non-operating income (expenses)

Equity in earnings of affiliates + ¥12.9 billion

Foreign currency translation adjustments on debt,
foreign currency exchange gains and losses
(FY3/18)Gains of ¥2.7 billion→(FY3/19)Gains of¥1.9 billion
- ¥4.6 billion

(FY3/18) Decrease in amortization expenses
related to the Hangingstone DEMO area
+ ¥7.8 billion

Extraordinary income (losses)

(FY3/18) Impairment loss spikes due to not
proceeding LNG Project in Canada + ¥72.9 billion

(FY3/19)Gains on sales of real estate
+ ¥0.7 billion

Assumptions and Impact on Profits [3Q-4Q]

		FY3/18	FY3/19				
		Full(a)	1Q(a)	2Q(a)	3Q(f)	4Q(f)	Full(f)
JCC	USD/bbl	56.20	67.95	76.64	75.00	75.00	73.75
Exchange rate	JPY/USD	111.67	107.42	110.61	110.00	110.00	109.60
Canadian gas	CAD/mcf	2.07	2.04	1.21	1.64	1.90	1.65

Assumptions	JCC (3Q-4Q)	Exchange rate (3Q-4Q)	Canadian gas (4Q)
	USD75.00/bbl	JPY110.00/USD	CAD1.90/mcf
			JPY85/CAD

Impact on Profit	USD1/bbl increase in JCC would push profits up by...	A weakening in JPY1/USD exchange rates would push profits up by...	CAD 0.5/mcf increase in Canadian gas prices would push profits up by...
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Operating income (loss)	JPY 100million	JPY 130million	JPY 70million
Profit (loss) attributable to owners of parent	JPY 80million	JPY 70million	JPY 60million

Note: In addition to the impact of exchange rate fluctuations shown on the above, translation adjustments of foreign-currency-denominated receivables and payables also occur. Actual profits are influenced by a variety of other factors besides crude oil prices and exchange rates.