



[Explanatory Material]

Financial Results

for the Three Months Ended June 30, 2022

August 9, 2022

Japan Petroleum Exploration Co., Ltd.

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

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

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II . Financial Results for the Three Months Ended June 30, 2022

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

Note: This material also serves as the presentation material for the financial results briefing for the institutional investors and analysts to be held on August 10, 2022.

I . Financial Highlights

II . Financial Results for the Three Months Ended June 30, 2022

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

Financial Highlights

1Q FY3/23 Results (Year-on-year)

(Billion Yen)	1Q FY 3/22 (a)	1Q FY 3/23 (a)	Change
Operating profit	3.4	9.8	+6.4
Ordinary profit	10.4	22.6	+12.1
Profit attributable to owners of parent	7.1	15.6	+8.5

- **Operating profit** : Increase due to higher sales prices of crude oil and natural, etc.
- **Ordinary profit** : Increase due to foreign exchange gains and increase in equity in earnings of affiliates

FY3/23 Forecast Revision (vs. May 13 Forecasts)

(Billion Yen)	May 13, 2022 (f)	Aug 9, 2022 (f)	Change
Operating profit	20.9	39.7	+18.7
Ordinary profit	28.7	50.9	+22.2
Profit attributable to owners of parent	25.5	40.0	+14.4

- **Operating profit** : Expect to see an increase in profit due to an improvement in the sales of domestic crude oil, natural gas and electric power resulting a rise of sales prices.
- **Ordinary profit** : Expect increase in equity in earnings of affiliates and foreign exchange gains.

Dividend Policy

- **Revised FY3/23 annual dividend (forecast)** : 220.0 yen per share (interim 110 yen + year-end 110 yen)

I . Financial Highlights

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

FY3/22 Results (Year-on-Year)

Million Yen	1Q FY3/22 (a)	1Q FY3/23 (a)	Change	
Net sales	50,083	58,617	+8,533	+17%
Gross profit	11,179	16,696	+5,517	+49%
Operating profit	3,400	9,810	+6,410	+189%
Ordinary profit	10,491	22,600	+12,108	+115%
Profit attributable to owners of parent	7,106	15,640	+8,533	+120%

Oil Price, Exchange Rate and Sales Price

		1Q FY3/22 (a)	1Q FY3/23 (a)	Change
WTI	USD/bbl	58.10	94.41	+36.31
Crude oil price (CIF)	USD/bbl	64.25	101.55	+37.30
Exchange rate	JPY/USD	108.43	122.50	+14.07

E&P Business (Year-on-Year)

Net sales : Million Yen		1Q FY3/22 (a)		1Q FY3/23 (a)		Change			
		Sales volume	Net sales	Sales volume	Net sales	Sales volume	Net sales		
E&P Business	-	-	16,796	-	7,266	-	-	(9,530)	(57%)

Breakdown

Crude oil	Thousand KL	114	5,556	79	7,251	(35)	(31%)	+1,695	+31%
Crude oil - Japan		85	3,927	67	5,640	(18)	(22%)	[1] +1,712	+44%
Crude oil - Overseas* ¹		22	1,312	7	1,192	(15)	(69%)	(119)	(9%)
Purchased crude oil		6	316	5	418	(1)	(24%)	+102	+32%
Diluted bitumen* ²		351	10,058	-	-	[2] (351)	-	(10,058)	-
Natural Gas - Overseas* ³	Million M3	128	1,181	0	14	[3] (127)	(99%)	(1,167)	(99%)

Main factors for change

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

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

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

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

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

Net sales : Million Yen		1Q FY3/22 (a)		1Q FY3/23 (a)		Change			
		Sales volume	Net sales	Sales volume	Net sales	Sales volume	Net sales		
Infrastructure & Utility Business	-	-	23,009	-	36,009	-	-	+12,999	+56%

Breakdown

Natural Gas - Japan	Million M3	233	10,709	231	17,923	(1)	(1%)	[1]	+7,213	+67%
- Produced in Japan		123	-	109	-	(13)	(11%)		-	-
LNG	Thousand Ton	52	4,397	49	6,062	△3	(6%)	[2]	+1,664	+38%
Electricity	Million kWh	765	7,163	665	10,986	(99)	(13%)	[3]	+3,822	+53%
Other*	-	-	739	-	1,037	-	-		+298	+40%

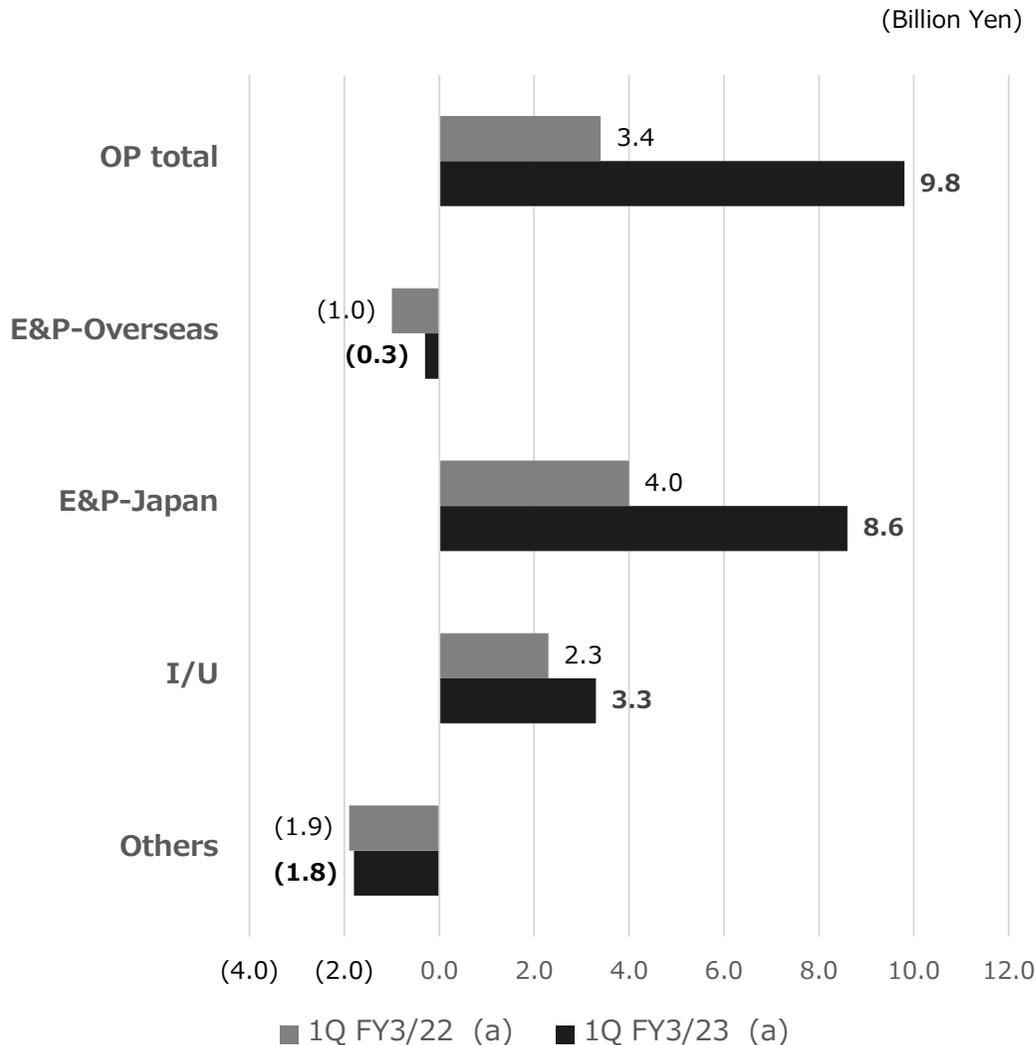
Main factors for change

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

[3] Increase in sales price

* Including net sales from commissioned regasification of LNG

Operating Profit (Year-on-Year)



E&P Business

Overseas : +0.7 bn. (1.0 bn.) → (0.3) bn.

Domestic : +4.6 bn. 4.0 bn. → 8.6 bn.

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

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

I/U Business

+0.9 bn. 2.3 bn. → 3.3 bn.

- Increase in marginal gain on LNG procurement

Others *

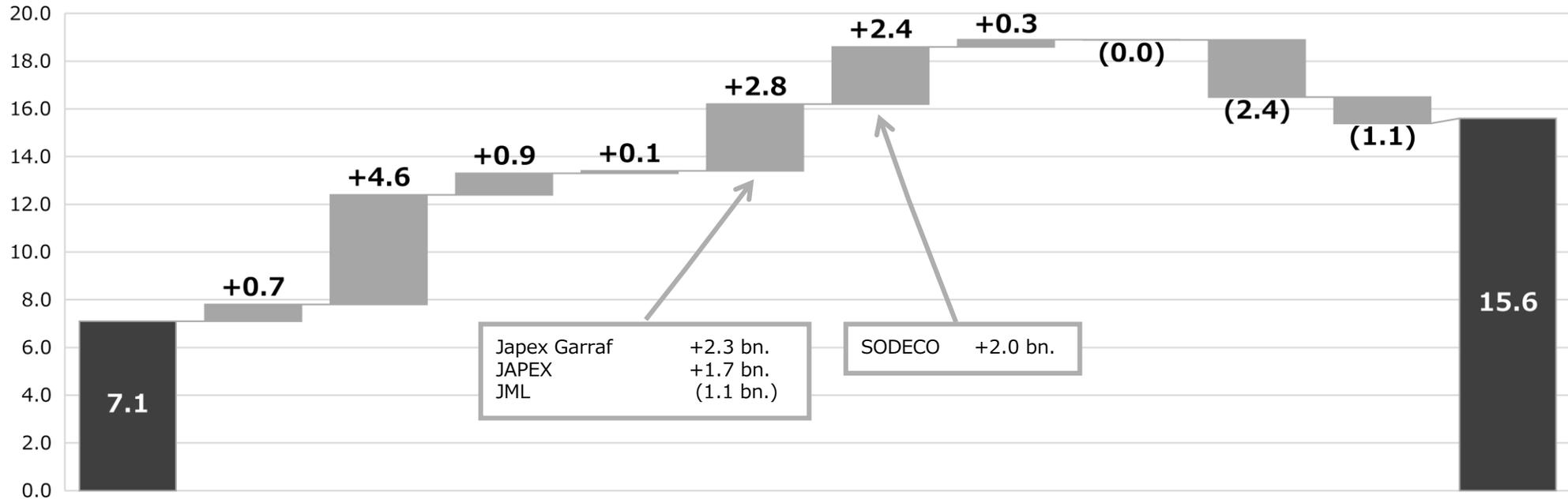
+0.1 bn. (1.9 bn.) → (1.8 bn.)

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

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

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

(Billion Yen)



Japex Garraf +2.3 bn.
JAPEX +1.7 bn.
JML (1.1 bn.)

SODECO +2.0 bn.

Net income	Operating profit* +6.4 bn.					Non-operating income +5.6 bn.			Extraordinary income	Income taxes	Profit attributable to non-controlling interest	Net income
FY3/22 1Q (a)	E&P overseas	E&P Japan	I/U	Others	Foreign exchange gains and loss	Equity on earnings	Others				FY3/23 1Q (a)	
FY3/22 1Q (a)	(1.0)	4.0	2.3	(1.9)	3.8	3.5	(0.3)	(0)	2.8	0.5		
FY3/22 1Q (a)	(0.3)	8.6	3.3	(1.8)	6.7	5.9	0	(0)	5.3	1.6		

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

I . Financial Highlights

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FY3/22 Forecasts (vs Initial Forecasts)

Million Yen	Initial (f) May 13, 2022	Revised (f) Aug. 9, 2022	Change	
Net sales	244,344	275,755	+31,411	+13%
Gross profit	50,354	69,575	+19,220	+38%
Operating profit	20,916	39,705	+18,789	+90%
Ordinary profit	28,758	50,988	+22,229	+77%
Profit attributable to owners of parent	25,590	40,007	+14,417	+56%

Oil Price and Exchange Rate

		Initial (f) May 13, 2022	Revised (f) Aug. 9, 2022	Change
WTI	USD/bbl	73.75	97.05	+23.30
Crude oil price (CIF)	USD/bbl	70.00	95.64	+25.64
Exchange rate	JPY/USD	110.00	120.75	+10.75

E&P Business Sales Forecasts (vs Initial Forecasts)

Net sales : Million Yen		Initial (f) May 13, 2022		Revised (f) Aug. 9, 2022		Change			
		Sales volume	Net sales	Sales volume	Net sales	Sales volume		Net sales	
E&P Business	-	-	57,557	-	52,241	-	-	(5,316)	(9%)

Breakdown

Crude oil		1,195	57,376	697	51,981	(498)	(42%)	(5,395)	(9%)
Crude oil - Japan		239	11,855	242	18,378	+3	+1%	[1] +6,522	+55%
Crude oil - overseas ^{*1}	Thousand KL	935	44,461	432	31,869	[2] (503)	(54%)	(12,591)	(28%)
Purchased crude oil		21	1,060	23	1,733	+2	+10%	+672	+63%
Diluted bitumen ^{*2}		-	-	-	-	-	-	-	-
Natural Gas - Overseas ^{*3}	Million M3	15	181	12	260	(3)	(21%)	+79	+44%

Main factors for change

[1] Increase in sales price

[2] Decrease in sales volume of crude oil from Garraf Oil Field in Iraq (Crude oil allocation volume is expected to decrease due to a rise of crude oil prices)

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

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

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

I/U Business Sales Forecasts (vs Initial Forecasts)

Net sales : Million Yen		Initial (f) May 13, 2022		Revised (f) Aug. 9, 2022		Change			
		Sales volume	Net sales	Sales volume	Net sales	Sales volume		Net sales	
Infrastructure & Utility Business	-	-	129,922	-	163,388	-	-	+33,465	+26%

Breakdown

Natural Gas - Japan	Million M3	1,018	63,444	1,008	77,744	(9)	(1%)	[1]	+14,300	+23%
- Produced in Japan		488	-	483	-	(4)	(1%)		-	-
LNG	Thousand Ton	363	27,712	358	35,729	(5)	(2%)	[2]	+8,016	+29%
Electricity	Million kWh	2,842	33,278	2,900	44,664	+58	+2%	[3]	+11,386	+34%
Others*	-	-	5,487	-	5,249	-	-		(237)	(4%)

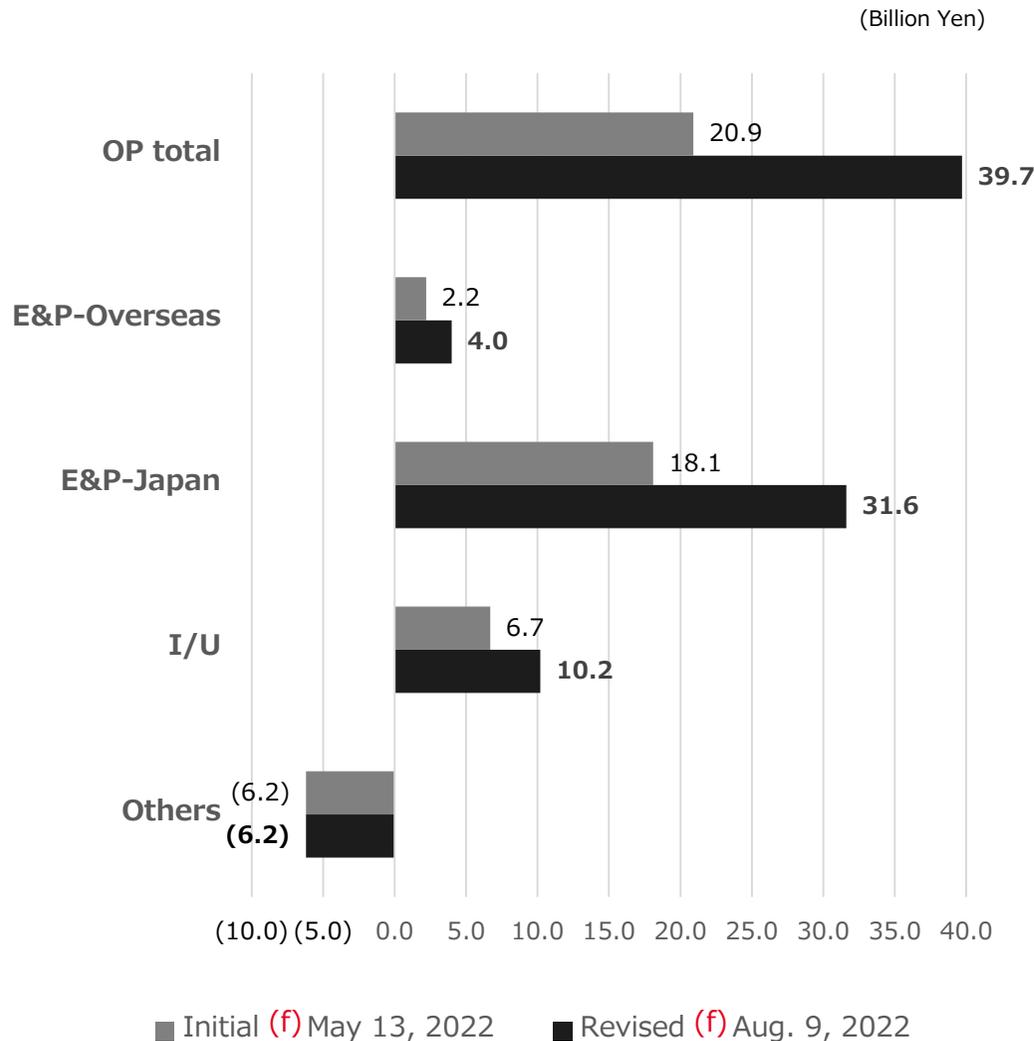
Main factors for change

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

[3] Increase in sales price

* Including net sales from commissioned regasification of LNG

Operating Profit Forecasts



E&P Business

Overseas : +1.7 bn. 2.2 bn. → 4.0 bn.

- Increase in sales volume of tight oil in United States due to a rise of crude oil prices, etc.

Domestic : +13.4 bn. 18.1 bn. → 31.6 bn.

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

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

I/U Business

+3.5 bn. 6.7 bn. → 10.2 bn.

- Increase in marginal gain on LNG procurement
- Increase in sales price of electricity (Japan Electric Power Exchange)

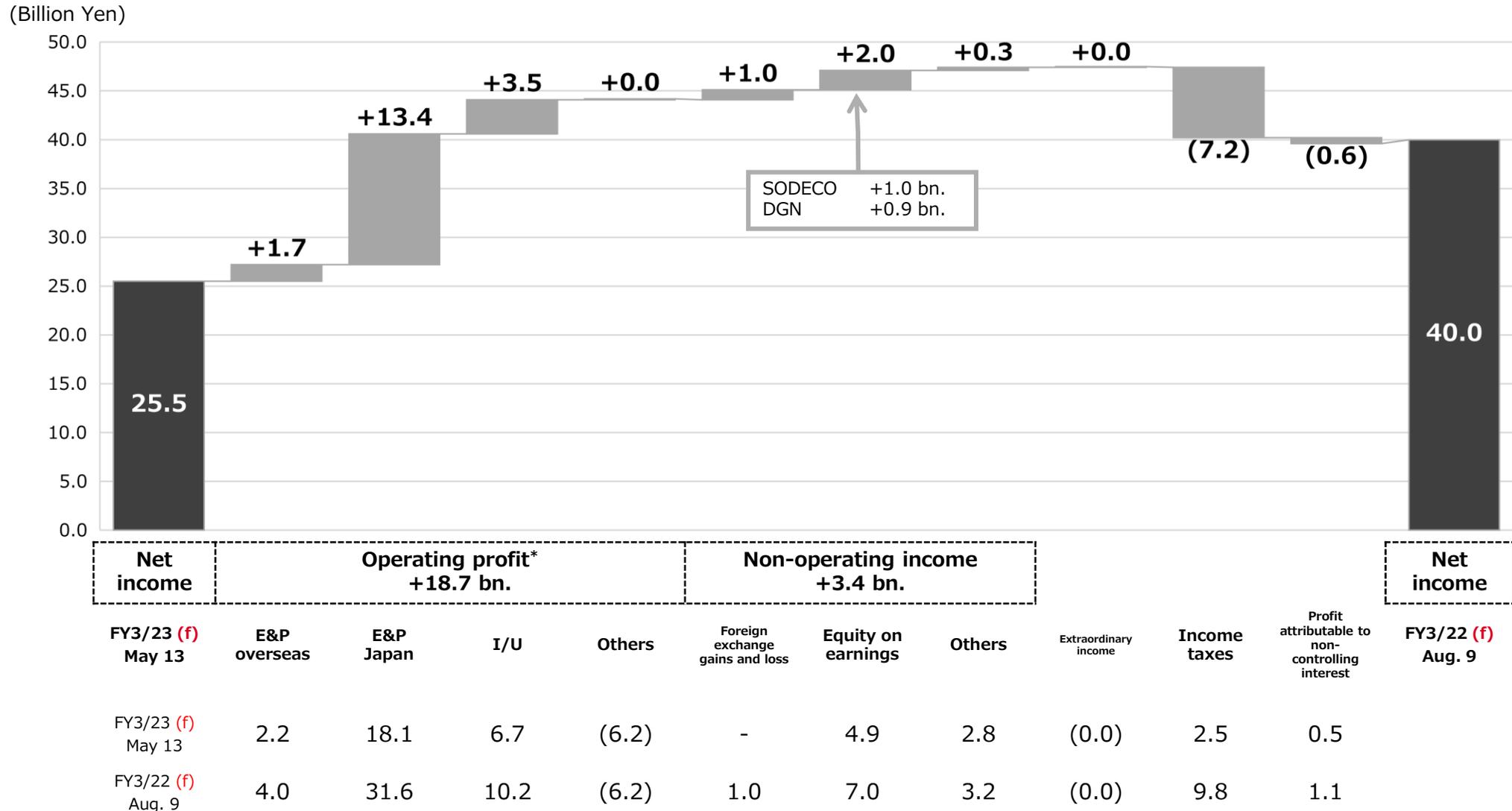
Others*

+0.0 bn. (6.2 bn.) → (6.2 bn.)

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

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

Analysis of Change in Net Income Forecasts



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

FY3/23 Forecasts

Million Yen	FY3/22 (a)	FY3/23 Revised (f)	Change	
Net sales	249,140	275,755	+26,614	+11%
Gross profit	49,903	69,575	+19,672	+39%
Operating profit	19,809	39,705	+19,896	+100%
Ordinary profit	43,674	50,988	+7,314	+17%
Profit (loss) attributable to owners of parent	(30,988)	40,007	+70,996	-

Oil Price and Exchange Rate

		FY3/22 (a)	FY3/23 Revised (f)	Change
WTI*	USD/bbl	64.06	97.05	+32.99
Crude oil price (CIF)	USD/bbl	73.28	95.64	+22.36
Exchange rate	JPY/USD	111.20	120.75	+9.55

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

E&P Business Sales Forecasts

Net sales : Million Yen		FY3/22 (a)		FY3/23 Revised (f)		Change			
		Sales volume	Net sales	Sales volume	Net sales	Sales volume		Net sales	
E&P Business	-	-	73,422	-	52,241	-	-	(21,181)	(29%)

Breakdown

Crude oil	Thousand KL	669	41,056	697	51,981	+27	+4%	+10,924	+27%
Crude oil - Japan		286	15,570	242	18,378	(44)	(15%)	[1] +2,808	+18%
Crude oil - overseas* ¹		357	24,105	432	31,869	[2] +74	+21%	+7,764	+32%
Purchased crude oil		25	1,381	23	1,733	(2)	(9%)	+351	+25%
Diluted bitumen* ²		959	31,121	-	-	[3] (959)	-	(31,121)	-
Natural Gas - Overseas* ³	Million M3	130	1,244	12	260	[4] (117)	(91%)	(983)	(79%)

Main factors for change

[1] Increase in sales price

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

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

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

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

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

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

I/U Business Sales Forecasts

Net sales : Million Yen		FY3/22 (a)		FY3/23 Revised (f)		Change			
		Sales volume	Net sales	Sales volume	Net sales	Sales volume		Net sales	
Infrastructure & Utility Business	-	-	119,845	-	163,388	-	-	+43,543	+36%

Breakdown

Natural Gas - Japan	Million M3	1,061	58,024	1,008	77,744	(52)	(5%)	[1] +19,719	+34%
- Produced in Japan		527	-	483	-	(43)	(8%)	-	-
LNG	Thousand Ton	295	22,596	358	35,729	[2] +62	+21%	+13,133	+58%
Electricity	Million kWh	3,023	34,320	2,900	44,664	(122)	(4%)	[3] +10,343	+30%
Others*	-	-	4,903	-	5,249	-	-	+346	+7%

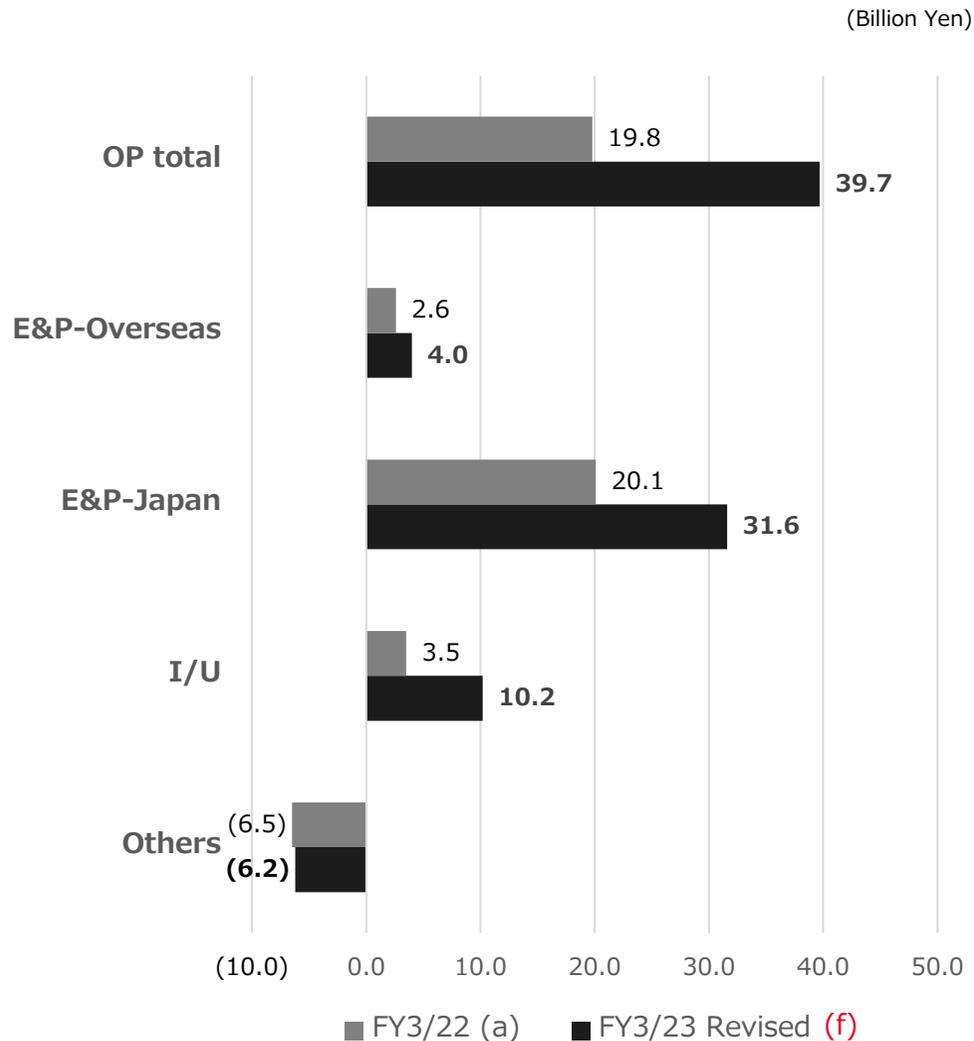
Main factors for change

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

[3] Increase in sales price

* Including net sales from commissioned regasification of LNG

Operating Profit Forecasts



E&P Business

Overseas : +1.3 bn. 2.6 bn. → 4.0 bn.

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

Domestic : +11.4 bn. 20.1 bn. → 31.6 bn.

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

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

I/U Business

+6.7 bn. 3.5 bn. → 10.2 bn.

- Absence of temporary factor (Increase in the cost due to an alternative LNG cargo procurement from the LNG spot market)

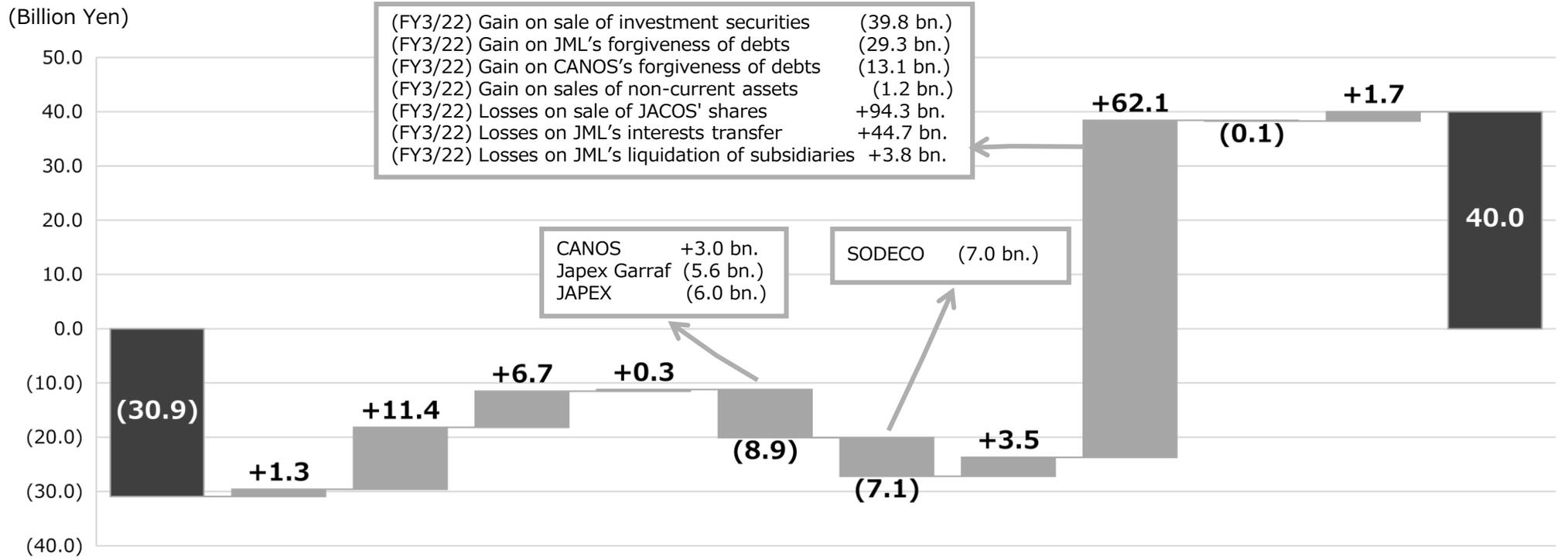
Others*

+0.3 bn. (6.5 bn.) → (6.2 bn.)

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

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

Analysis of Change in Net Income Forecasts



FY3/22 (a)	Operating profit* +19.8 bn.				Non-operating income (12.5 bn.)			Extraordinary income	Income taxes	Profit attributable to non-controlling interest	FY3/23 Revised (f)
	E&P overseas	E&P Japan	I/U	Others	Foreign exchange gains and loss	Equity on earnings	Others				
FY3/22 (a)	2.6	20.1	3.5	(6.5)	10.0	14.2	(0.3)	(62.1)	9.6	2.8	
FY3/23 Revised (f)	4.0	31.6	10.2	(6.2)	1.0	7.0	3.2	(0.0)	9.8	1.1	

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

Cash Flows and Debt

Million Yen	FY3/22 (a)	FY3/23 (f)	
	Full year	Full year	
		May 13	Aug.9
Cash flows from operating activities	(1,052)	83,148	81,582
Depreciation	17,721	13,649	13,262
Recovery of recoverable accounts	17,780	36,363	21,539
Cash flows from investing activities	52,067	(58,080)	(60,870)
Purchase of property, plant and equipment	(16,278)	(33,274)	(42,069)
Payments of recoverable accounts	(23,244)	(35,933)	(33,197)
Cash flows from financing activities	(70,940)	(9,811)	(12,069)
Cash and cash equivalents at end of period	144,513	159,769	153,156

Interest-bearing debt* ¹	6,156	10,457	10,457
EBITDA* ²	57,391	44,022	65,723
Debt-to-EBITDA ratio	0.1	0.2	0.1

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

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

Appendix

- 1. Net Sales**
- 2. Financial Results**
- 3. Segment Profit**
- 4. Price Assumptions for FY3/23 Forecasts**
- 5. Sensitivities Analysis on FY3/23 Forecasts Basis**
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1. Net Sales - E&P

	Million Yen	FY3/22 (a)		FY3/23		
		1Q	Full year	1Q	Full year (f)	
					5.13	8.9
Sales		16,796	73,422	7,266	57,557	52,241
Sales volume of Crude oil (Thousand KL)		114	669	79	1,195	697
Net sales		5,556	41,056	7,251	57,376	51,981
Sales volume of Crude oil - Japan (Thousand KL)		85	286	67	239	242
Net sales		3,927	15,570	5,640	11,855	18,378
Sales volume of Crude oil - overseas *1 (Thousand KL)		22	357	7	935	432
Net sales		1,312	24,105	1,192	44,461	31,869
Sales volume of Purchased crude oil (Thousand KL)		6	25	5	21	23
Net sales		316	1,381	418	1,060	1,733
Sales volume of Diluted bitumen (Thousand KL)		351	959	-	-	-
Net sales *2		10,058	31,121	-	-	-
Sales volume of Natural gas -overseas *3 (Million M3)		128	130	0	15	12
Net sales		1,181	1,244	14	181	260
WTI (USD/bbl)		58.10	64.06	94.41	73.75	97.05
Crude oil price (CIF) (USD/bbl) *4		64.25	73.28	101.55	70.00	95.64
Exchange rate (JPY/USD) *4		108.43	111.20	122.50	110.00	120.75
Diluted bitumen *2 (USD/bbl)		40.99	46.90	-	-	-
JML natural gas *5 (CAD/mcf)		2.96	2.96	-	-	-

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

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

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

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

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

1. Net Sales - I/U

	Million Yen	FY3/22 (a)		FY3/23		
		1Q	Full year	1Q	Full year (f)	
					5.13	8.9
Sales		23,009	119,845	36,009	129,922	163,388
Sales volume of Natural gas – Japan (Million M3)		233	1,061	231	1,018	1,008
Net sales		10,709	58,024	17,923	63,444	77,744
Sales volume of Natural gas produced in Japan (Million M3)		123	527	109	488	483
Sales volume of LNG (Thousand ton)		52	295	49	363	358
Net sales		4,397	22,596	6,062	27,712	35,729
Sales volume of Electricity (Million kWh)		765	3,023	665	2,842	2,900
Net sales		7,163	34,320	10,986	33,278	44,664
Others*		739	4,903	1,037	5,487	5,249

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

2. Financial Results

	Million Yen	FY3/22 (a)		FY3/23		
		1Q	Full year	1Q	Full year (f)	
					5.13	8.9
Net sales		50,083	249,140	58,617	244,344	275,755
E&P Business		16,796	73,422	7,266	57,557	52,241
Infrastructure/Utility Business		23,009	119,845	36,009	129,922	163,388
Others		10,277	55,872	15,341	56,863	60,126
Cost of sales		38,904	199,237	41,920	193,989	206,180
Gross profit		11,179	49,903	16,696	50,354	69,575
Exploration expenses		132	359	97	1,604	1,375
SG&A expenses		7,647	29,734	6,788	27,833	28,494
Operating profit		3,400	19,809	9,810	20,916	39,705
Non-operation income		7,091	23,864	12,789	7,842	11,283
Interest income		37	266	149	310	702
Interest expenses		(322)	(1,187)	(1)	(8)	(6)
Dividend income		48	4,049	47	3,022	3,173
Share of profit of entities accounted for using equity method		3,549	14,226	5,988	4,986	7,046
Provision for overseas investment		92	66	-	(10)	(83)
Foreign exchange gains and loss		3,851	10,002	6,748	-	1,024
Other		(165)	(3,559)	(142)	(459)	(572)
Ordinary profit		10,491	43,674	22,600	28,758	50,988
Extraordinary income		(1)	(62,175)	(1)	(67)	(54)
Profit before income taxes		10,489	(18,501)	22,598	28,691	50,934
Income taxes		2,832	9,652	5,304	2,599	9,817
Profit attributable to non-controlling interests		550	2,835	1,653	501	1,108
Profit (loss) attributable to owners of parent		7,106	(30,988)	15,640	25,590	40,007

3. Segment Profit

Million Yen		FY3/22 (a)		FY3/23 (f)		
		1Q	Full year	1Q	Full year	
					5.13	8.9
Japan	Operating profit	6,122	24,739	11,472	27,004	43,812
	Share of profit (loss) of entities accounted for using equity method	19	(47)	291	381	363
North America	Operating profit (loss)	(1,146)	1,789	227	2,722	4,181
	Share of profit of entities accounted for using equity method	-	-	-	-	-
Europe	Operating loss	(47)	(151)	(33)	(204)	(195)
	Share of profit of entities accounted for using equity method	-	-	-	-	-
Middle East	Operating profit	537	2,644	522	986	1,978
	Share of loss of entities accounted for using equity method	(3)	(13)	(3)	(25)	(27)
Others* ¹	Operating profit	-	-	-	-	-
	Share of profit of entities accounted for using equity method	3,534	14,287	5,699	4,631	6,710
Adjustments and Eliminations* ²		(2,066)	(9,213)	(2,378)	(9,592)	(10,070)
Amounts on consolidated statement of income* ³		3,400	19,809	9,810	20,916	39,705

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

*2 Mainly intersegment elimination and corporate expense.

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

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

4. Price Assumptions for FY3/23 Forecasts

Market Price			Upper: from January 2021 to March 2022					Full year
			Lower: from January 2022 to March 2023					
			Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	
WTI* ²	USD/bbl	2021 (a)	58.10	66.07	69.85	-	-	64.06
		Revised (f) Aug. 9	94.41 * ¹	103.78	100.00	90.00	-	97.05
Crude oil price (CIF)* ³	USD/bbl	2021 (a)	-	64.25	71.31	77.30	82.70	73.28
		Revised (f) Aug. 9	-	101.55 * ¹	100.00	90.00	90.00	95.64
Exchange rate* ³	JPY/USD	2021 (a)	-	108.43	109.96	111.69	114.52	111.20
		Revised (f) Aug. 9	-	122.50 * ¹	120.00	120.00	120.00	120.75

*1 Actual

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

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

5. Sensitivities Analysis on FY3/23 Forecasts Basis

	FY3/23 2Q-4Q Assumptions	Fluctuation	Impacts on profit (Million Yen)		Main factors for change positive factor “+” / negative factor “()”
			Operating profit	Profit attributable to owners of parent	
Crude oil price	WTI 2Q : USD 103.78/bbl 3Q : USD 100.00/bbl 4Q : USD 90.00/bbl Crude oil price (CIF) 2Q : USD 100.00/bbl 3Q-4Q : USD 90.00/bbl	Increase by 1USD/bbl	50	40	+ Sales of oil and gas (Increase in LNG procurement cost)
Exchange rate	JPY 120.00/USD	1 weaker JPY against USD	380	220	+ Sales of oil and gas (Increase in LNG procurement cost)

[Assumptions]

- Changes in equity method investment gain are not included in the above amount.
- In addition to the impact of exchange rate fluctuations shown on the above, translation adjustments of foreign-currency-denominated receivables and payables also may occur.
- Actual profits are influenced by various other factors besides crude oil prices and exchange rates.

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

E&P Field

- Japan: Producing oil and gas at 10 fields in Hokkaido, Akita, Yamagata, and Niigata / considering measures to increase production at existing fields
 - Proceeding an additional development around Katakai oil and gas field in Niigata
 - Considering measures for carbon neutrality including reduction of GHG emissions from field operations, investigation of CO₂ storage capacity
- Overseas: Participating in the projects of crude oil and natural gas development / Considering new interests acquisition
- ✓ Adopted to an operator of a joint study for acid stimulation in Onnagawa tight oil formation as a publicly solicited projects by JOGMEC in Apr.
- ✓ Increased investment of tight oil development in the United States in May (acquisition of additional tight oil interests)
- ✓ Started drilling the 1st well for additional development work of Katakai gas field in Niigata in Jul

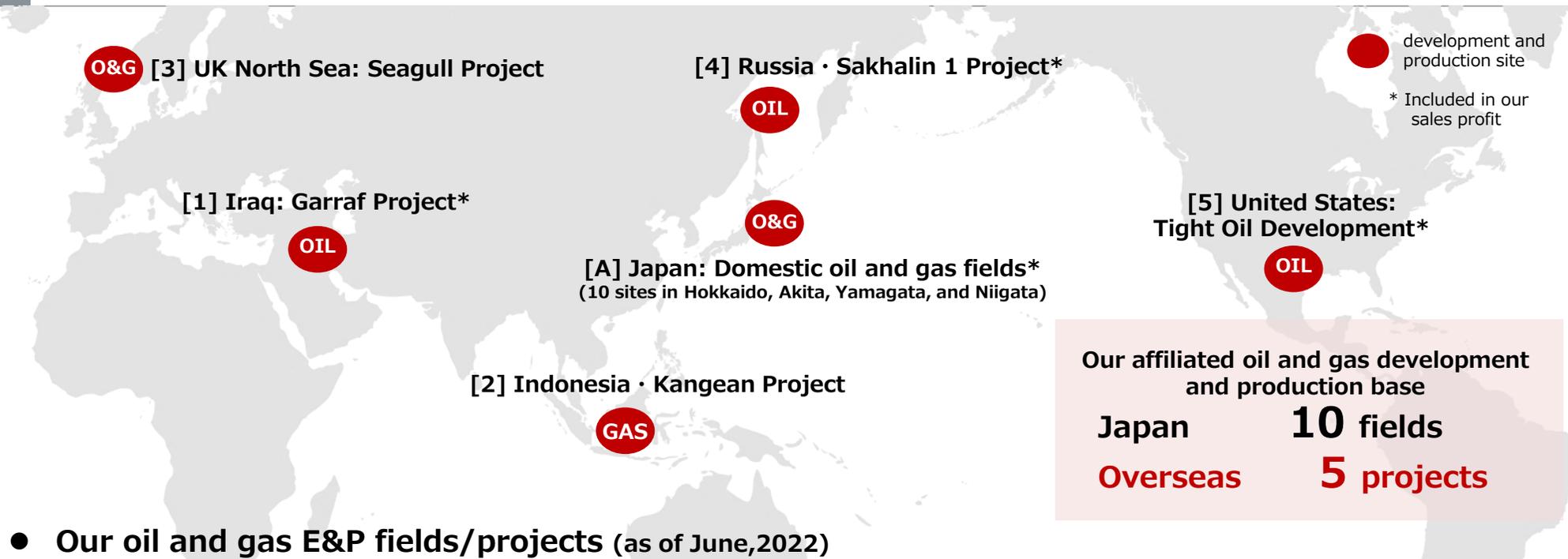
I/U Field

- Domestic gas supply: Stably supplying natural gas and LNG by our supply network / Expanding sales volume including demands for fuel conversion
 - Soma LNG terminal: Engaging the contract work of LNG vaporization and delivery of power generation fuel to the adjacent Fukushima Natural Gas Power Plant
- Overseas LNG Supply Infrastructure: Considering participation in projects to develop and operate supply infrastructure such as LNG terminals, mainly in Southeast Asia, where natural gas demands are growing demands
- Electricity: Stably supplying electricity as a energy source with lower environmental impact generated by the power plants in operation / Participating in renewable energy development as well as considering participation to new projects
- ✓ Started construction on the Ozu biomass power plant in Jun.
- ✓ Signed a green loan financing agreement for the Abashiri Biomass 2nd &3rd Power Plants Project in Jun.
- ✓ Started construction of the Chofu biomass power plant in Jul.

CN Field

- Conducting study towards early adaptation and commercialization of CCS (Carbon dioxide Capture and Storage)/CCUS (Carbon dioxide Capture, Utilization, and Storage)
- Considering cooperation and participation in carbon-neutral businesses, with the potential collaboration with CCS/CCUS
 - Seeking regional and inter-industrial collaboration in combination with CCS/CCUS, such as the realization of carbon recycling
- ✓ Joined Global CCS Institute in May / participated in CCS+ Initiative in Jun.
- ✓ Adopted a feasibility study for the hub & cluster type CCUS project in Niigata east port area as a publicly solicited project by JOGMEC in May
- ✓ JGC CORPORATION and Kawasaki Kisen Kaisha, Ltd. joined a joint feasibility study for CCS with Petronas in Malaysia in Jul.

6. Business Overview ② E&P Field



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

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	In production/Additional development	Undisclosed
1	Iraq: Garraf Project (PETRONAS Carigali Iraq Holding B.V.)	30% (16.5%)	Crude oil	In production/Additional Development	Approx. 128,000bbl*2
2	Indonesia: Kangean Project (Kangean Energy Indonesia Ltd.)	100% (25%)	Natural gas	In production	Approx. 3,990,000m ³ (Approx. 24,000boed)
3	UK North Sea: Seagull Project (Neptune E&P UK Limited)	15% (15%)	Crude oil/natural gas	In development	-
4	Russia: Sakhalin 1 Project (Exxon Neftegas Ltd.*3)	30% (4.59%)	Crude oil	In production/development	Undisclosed
5	North America: Tight Oil Development (Marathon Oil Corporation, EOG Resources Inc., etc.)	Differ by interest	Crude oil	In production/development	Undisclosed

*1: Average daily production for 1Q FY2022 (Jan-Mar 2022 for overseas projects) / *2: Average daily production Apr-June 2022

*3: On March 1, 2022 (local time) Exxon Mobil, parent company of operator Exxon Neftegas Limited, announced its exit policy.

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

Features of JAPEX's domestic gas supply network

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

2 LNG terminals for ocean-going carriers

Capable to supply from Sea of Japan and Pacific Ocean

● Domestic gas supply

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

● Respond to diversification of domestic gas supply

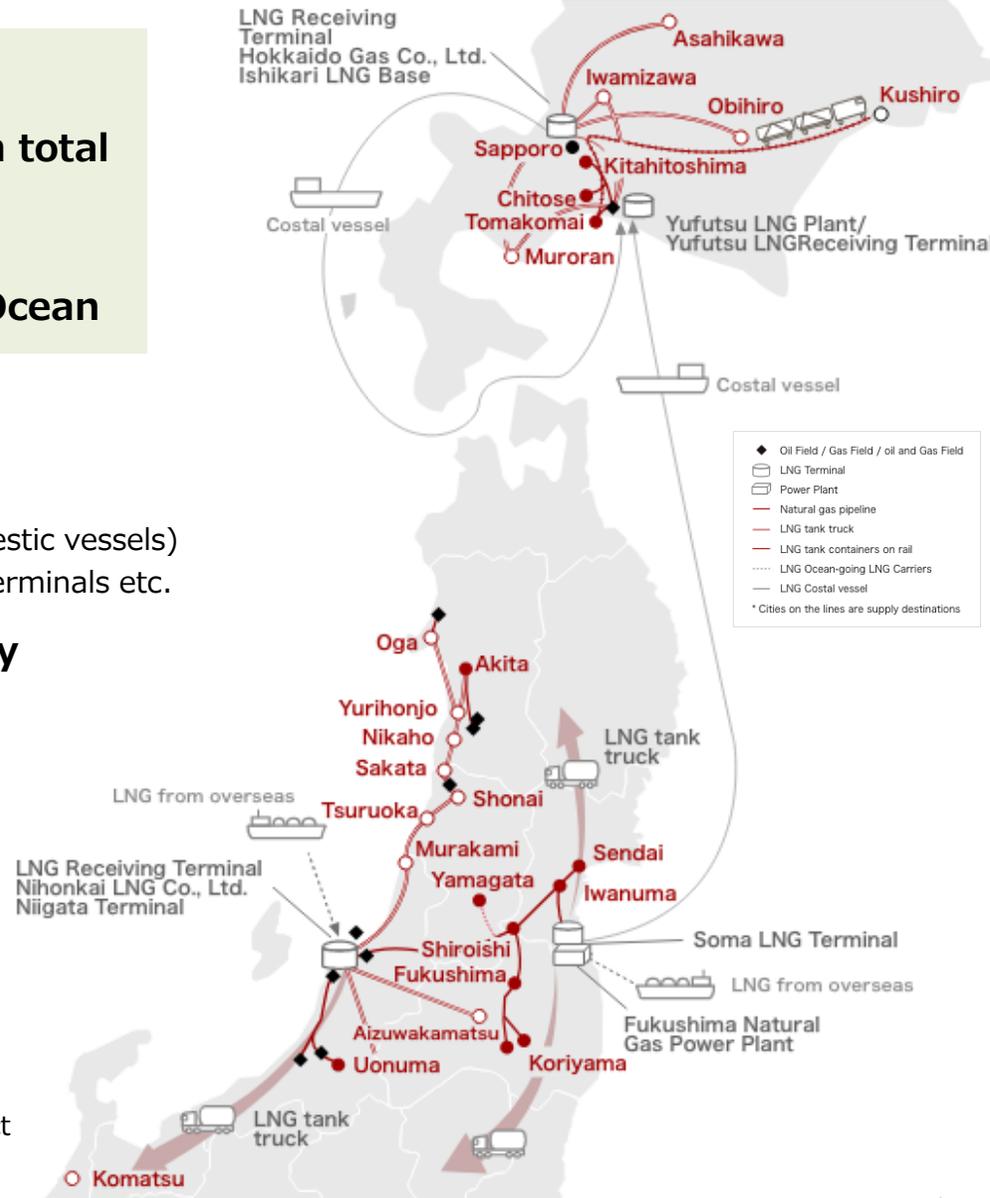
- Support fuel switching to natural gas from other fossil fuels
- Propose and provide energy services in cooperation with city gas suppliers

● LNG procurement

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

● Overseas LNG supply infrastructure

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



6. Business Overview ④ I/U Field - Electricity

JAPEX's joining power plants are

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

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

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

PV

PV

[3] Yufutsu Solar Power Plant



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

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

[A] Fukushima Natural Gas Power Plant

LNG



● Other renewable energy project

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

[4] Tahara Biomass Power Plant

[5] Ozu Biomass Power Plant

BIO

BIO

BIO

[6] Chofu Biomass Power Plant

● Gas power plant

■ Renewable power plant

* Included in our sales profit

6. Business Overview ⑤ CN Field

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

Verification and Establishment of Technology

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

+

Inter-company and Cross-industry Collaboration

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

+

Examination and Development of Legal Systems, etc.

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

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

Japan Realize hub & cluster model by FY2030

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

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

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

Common

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

7. Integrated Report and IR Materials

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

Integrated Report

◆ Integrated Report



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

The latest issue

(Integrated Report 2021, published in September 2021)
is available directly via the following link

https://www.japex.co.jp/ir/uploads/JAPEX_IR2021_e.pdf

Disclosure Materials Archive

- ◆ Financial Results
- ◆ Explanatory Materials

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

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

Performance information, etc.

- ◆ Financial highlights for 5 years
* Past 10 years' CVS data is also available
- ◆ 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
FID	Final Investment Decision
GHG	Greenhouse Gas
HSE	Health, Safety and Environment
JCC	Japan Crude Cocktail
MH	Methane Hydrate
RRR	Reserve Replacement Ratio
WTI	West Texas Intermediate

● Main Subsidiaries and Affiliates

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

Cautionary Statement

This document contains future outlooks such as plans, forecasts, strategies, and others which are not historical fact and these are made by the management's judgement based on the obtainable information at the time of the disclosure. Actual results may significantly differ from those future outlooks due to various factors.

This document is not intended to invite investment.

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Note:

- Abbreviations used herein are as follows:
 - (a) = Actual results
 - (f) = Forecasts
 - FY = Fiscal Year (FY3/22, for instance, means 12 months ending March 31, 2022)
- Figures in parentheses in "Operating profit," "Ordinary profit," "Share of profit of entities accounted for using equity method," and "Profit attributable to owners of parent" represent losses in each category.

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