

To All Shareholders:

**Notification of the Convocation to
the 43rd Ordinary General Meeting of the Shareholders**

The 43rd Ordinary General Meeting of the Shareholders of Japan Petroleum Exploration Co., Ltd. (hereinafter referred to as the "JAPEX") will be held according to the details below, and we kindly ask for your attendance.

If you are unable to attend the meeting, you may exercise your voting rights through a written document (Voting Rights Exercise Form) or by electronic means (via the Internet). Please read the attached "Reference Documents for Shareholders Meeting," and exercise your voting rights after referring to "4. Guidance on the Exercise of Voting Rights" on the following page, prior to 5:35 p.m., Monday, June 24, 2013.

Thank you very much for your attention and cooperation.

Details:

1. Date and Time: 10:00 a.m., June 25, 2013 (Tuesday)
2. Location: Tokyo Station Conference "Sapia Hall" (Sapia Tower 5F)
1-7-12 Marunouchi, Chiyoda-ku, Tokyo
3. Agenda:
Announcements: 1) Business report and consolidated financial report of the 43rd Term (from April 1, 2012 to March 31, 2013), and audit reports from the accounting auditor and Board of Corporate Auditors on the consolidated financial report
2) Financial report of the 43rd Term (from April 1, 2012 to March 31, 2013)

Resolution items:

- Item 1: Appropriation of Surplus
- Item 2: Election of Fourteen (14) Directors
- Item 3: Election of Two (2) Corporate Auditors
- Item 4: Awarding Retirement Benefits to Retiring Directors and Retiring Corporate Auditor
- Item 5: Payment of Bonuses to Corporate Auditors
- Item 6: Revision to Remuneration for Corporate Auditors

NOTE: This document is an abridged translation of the Japanese "Notification of the Convocation to the 43rd Ordinary General Meeting of the Shareholders" "Reference Documents for Shareholders Meeting" and "Financial Report" of JAPEX. This translation is intended for reference and convenience purposes only. In the event of any discrepancy between this translation and the Japanese original, the original shall prevail. JAPEX does not guarantee the accuracy and/or the completeness of this translation and shall have no liability for any errors or omissions therein.

4. Guidance on the Exercise of Voting Rights

[Exercise of Voting Rights in Writing (Voting Rights Exercise Form)]

Please indicate your approval or disapproval of each proposition on the enclosed Voting Rights Exercise Form and then send it back so that it reaches us no later than 5:35 p.m., Monday, June 24, 2013.

[Exercise of Voting Rights by Electronic Means (via the Internet)]

- (1) To exercise your voting rights via the Internet, you must use the following voting service website (<http://www.it-soukai.com/> or <https://daiko.mizuho-tb.co.jp/>) designated by the Company. You are cordially requested to exercise your voting rights via the Internet prior to 5:35 p.m., Monday, June 24, 2013.
- (2) Please register your approval or disapproval of each proposition, by using the code and password provided at the bottom right side of your Voting Rights Exercise Form enclosed herewith and following the directions on the screen. Please check the “Guidance on the Exercise of Voting Rights via the Internet” shown on page 15 and 16 of this notice for the details.

[Treatment of Voting Rights Exercised Repeatedly]

- (1) If you exercise your voting rights both in writing and via the Internet, we will only accept the exercise of your voting rights via the Internet as valid.
- (2) If you exercise your voting rights more than once via the Internet, we will only accept the last exercise of your voting rights as valid.

*Upon your arrival at the Ordinary General Meeting of Shareholders, please submit the enclosed Voting Rights Exercise Form to the venue reception. Thank you.

*In case the Reference Documents for Shareholders Meeting, or business report, financial report or consolidated financial report is modified, such modification shall be posted on the JAPEX website. (<http://www.japex.co.jp/>)

Reference Documents for Shareholders Meeting

Item 1: Appropriation of Surplus

JAPEX employs the basic policy of long-term, stable distribution of dividends in considering the retained earnings for investment in new oil and gas reserves inside and outside Japan and the development of transportation systems, including pipelines, as well as respecting the return of profits to our shareholders.

JAPEX will continue stable distribution of dividends to our shareholders based on this basic policy, although a net loss was incurred for the fiscal year ended March 31, 2013.

The 43rd term year-end dividends and other appropriations of surplus will be as follows:

1. Details Concerning the Year-End Dividends

- (1) Type of dividend property: Money
- (2) Distribution and total amount of dividend property:
20 yen per share of common stock
Total amount of dividends: 1,143,052,740 yen
- (3) Effective date of distribution of surplus: June 26, 2013

2. Details Concerning Other Appropriations of Surplus

- (1) Item and amount of reduced surplus
General Reserve: 10,000,000,000 yen
- (2) Item and amount of increased surplus
Retained earnings brought forward: 10,000,000,000 yen

Item 2: Election of Fourteen (14) Directors

Upon closing of this general meeting of shareholders, the terms of office of all fourteen (14) Directors of the Board: Yuji Tanahashi, Osamu Watanabe, Hiroshi Sato, Shoichi Ishii, Toshio Ibi, Mitsuru Saito, Junichi Matsumoto, Nobuyuki Ogura, Nobuaki Moritani, Hitoshi Yamatoya, Kazuo Nakayama, Kiyoshi Ogino, Hikaru Fukasawa, and Kazuo Kawakami will expire. We kindly ask our shareholders to elect fourteen (14) Directors.

The candidates for Director are as listed below:

Candidate No.	Name (Date of birth)	Brief history, Position and responsibilities in JAPEX or Significant positions concurrently held	JAPEX shares owned
1	Yuji Tanahashi (October 13, 1934)	April 1958 Joined The Ministry of International Trade and Industry (hereinafter referred to as the "MITI") June 1991 Vice Minister of International Trade and Industry Aug. 1997 Chairman at New Energy Foundation June 2001 President at JAPEX June 2008 Chairman (up to the present date) <Significant positions concurrently held> Director at Canada Oil Sands Co., Ltd. Director at JAPEX Offshore, Ltd.	18,800 shares
2	Osamu Watanabe (December 6, 1940)	April 1964 Joined MITI July 1997 Vice Minister of International Trade and Industry July 2002 Chairman at Japan External Trade Organization June 2007 Executive Vice President at JAPEX June 2008 President (up to the present date) <Significant positions concurrently held> President at JAPEX Offshore, Ltd. President at JAPEX Garraf Ltd. Chairman at JAPEX Montney Ltd.	16,200 shares

Candidate No.	Name (Date of birth)	Brief history, Position and responsibilities in JAPEX or Significant positions concurrently held	JAPEX shares owned
3	Hiroshi Sato (January 22, 1947)	<p>April 1970 Joined JAPEX</p> <p>June 1999 General Manager of Finance & Accounting Dept.</p> <p>June 2002 Director, General Manager of Finance & Accounting Dept.</p> <p>June 2005 Managing Executive Officer</p> <p>June 2006 Managing Director</p> <p>June 2007 Senior Managing Director</p> <p>June 2010 Executive Vice President (up to the present date)</p> <p><Significant positions concurrently held></p> <p>Director at Sakhalin Oil and Gas Development Co., Ltd.</p> <p>Corporate Auditor at JAPEX Garraf Ltd.</p> <p>Corporate Auditor at TOHOKU NATURAL GAS Co., Inc.</p> <p>Corporate Auditor at INPEX Corp.</p>	4,500 shares
4	Shoichi Ishii (September 23, 1949)	<p>April 1973 Joined JAPEX</p> <p>June 1999 General Manager of Corporate Planning Dept.</p> <p>June 2003 Director, General Manager of Corporate Planning Dept.</p> <p>June 2005 Managing Executive Officer, General Manager of Nagaoka Division Office</p> <p>June 2006 Managing Director, General Manager of Nagaoka Division Office</p> <p>June 2007 Managing Director</p> <p>June 2011 Senior Managing Director</p> <p>Nov. 2012 Senior Managing Director, President of Soma Project Division (up to the present date)</p> <p><Significant position concurrently held></p> <p>Director at JAPEX Energy Co., Ltd.</p>	4,100 shares
5	Mitsuru Saito (June 19, 1950)	<p>April 1973 Joined JAPEX</p> <p>June 1999 General Manager of Administration Dept.</p> <p>June 2003 General Manager of Personnel Dept.</p> <p>June 2005 Executive Officer, General Manager of Personnel Dept.</p> <p>June 2006 Managing Executive Officer</p> <p>June 2007 Managing Director</p> <p>June 2010 Managing Director, President of International Oil & Gas Division</p> <p>June 2011 Managing Director, President of Americas & Russia Project Division (up to the present date)</p> <p><Significant position concurrently held></p> <p>President at JAPEX Montney Ltd.</p>	3,100 shares
6	Junichi Matsumoto (September 27, 1949)	<p>April 1973 Joined JAPEX</p> <p>June 2006 Executive Officer</p> <p>June 2007 Managing Executive Officer, Vice President of Development Division</p> <p>June 2008 Managing Director, Vice President of Development Division</p> <p>April 2009 Managing Director</p> <p>Aug. 2012 Managing Director, President of Domestic Project Division</p> <p>Nov. 2012 Managing Director, President of Domestic Project Division and Vice President of Soma Project Division (up to the present date)</p>	1,300 shares

Candidate No.	Name (Date of birth)	Brief history, Position and responsibilities in JAPEX or Significant positions concurrently held	JAPEX shares owned
7	Nobuyuki Ogura (May 14, 1952)	<p>April 1975 Joined JAPEX</p> <p>April 2001 General Manager of Overseas Exploration Dept. II, Exploration Division</p> <p>April 2003 General Manager of Overseas Exploration Dept., Exploration Division</p> <p>June 2006 Executive Officer</p> <p>June 2008 Managing Director, Vice President of Exploration Division</p> <p>June 2010 Managing Director, President of Exploration Division</p> <p>June 2011 Managing Director, President of Technical Division</p> <p>June 2012 Managing Director, President of Technical Division and President of Domestic Project Division</p> <p>Aug. 2012 Managing Director, President of Technical Division (up to the present date)</p> <p><Significant positions concurrently held></p> <p>Director at JGI, Inc.</p> <p>Director at JAPEX Offshore, Ltd.</p>	3,500 shares
8	Hitoshi Yamatoya (June 5, 1951)	<p>April 1976 Joined JAPEX</p> <p>June 1999 General Manager of Marketing & Sales Development Dept., Marketing & Sales Division</p> <p>Dec. 2001 General Manager of Marketing & Sales Dept. I, Marketing & Sales Division</p> <p>June 2007 Executive Officer, Vice President of Marketing & Sales Division</p> <p>June 2009 Managing Executive Officer, Vice President of Marketing & Sales Division</p> <p>Nov. 2009 Managing Executive Officer, Vice President of Marketing & Sales Division and General Manager of Marketing & Sales Dept. II</p> <p>May 2010 Managing Executive Officer, Vice President of Marketing & Sales Division</p> <p>June 2010 Managing Director, President of Marketing & Sales Division</p> <p>Nov. 2012 Managing Director, President of Marketing & Sales Division and Vice President of Soma Project Division (up to the present date)</p> <p><Significant positions concurrently held></p> <p>Director at TOHOKU NATURAL GAS Co., Inc.</p> <p>Director at Kitakyushu LNG Sales and Lorry Transport Corp.</p>	2,400 shares
9	Kazuo Nakayama (August 4, 1950)	<p>April 1973 Joined JAPEX</p> <p>June 2007 Managing Executive Officer, Advisor to President of Exploration Division</p> <p>June 2009 Managing Executive Officer, Vice President of International Oil & Gas Division</p> <p>Feb. 2010 Managing Executive Officer, Advisor to President of Iraq Project Division</p> <p>June 2011 Managing Director, Vice President of Middle East, Africa & Europe Project Division</p> <p>June 2012 Managing Director, President of Middle East, Africa & Europe Project Division (up to the present date)</p> <p><Significant positions concurrently held></p> <p>Director at JAPEX Garraf Ltd.</p> <p>Director at JJI S & N B.V.</p>	1,900 shares

Candidate No.	Name (Date of birth)	Brief history, Position and responsibilities in JAPEX or Significant positions concurrently held	JAPEX shares owned
10	Kiyoshi Ogino (October 22, 1950)	<p>April 1977 Joined JAPEX</p> <p>May 2007 General Manager of Second Project Dept., International Oil & Gas Division</p> <p>July 2008 General Manager of First Project Dept., International Oil & Gas Division</p> <p>June 2009 Executive Officer, Vice President of Development Division</p> <p>April 2010 Executive Officer, President of Development Division</p> <p>June 2010 Managing Executive Officer, President of Development Division</p> <p>June 2011 Managing Director, President of Domestic Project Division</p> <p>June 2012 Managing Director (up to the present date) <Significant positions concurrently held> President at Canada Oil Sands Ltd. Chairman at Japan Canada Oil Sands Ltd.</p>	2,200 shares
11	Hikaru Fukasawa (December 21, 1954)	<p>April 1979 Joined JAPEX</p> <p>Sep. 2004 General Manager of Domestic Exploration Dept., Exploration Division</p> <p>June 2009 Executive Officer, Advisor to President of Exploration Division</p> <p>March 2010 Executive Officer, General Manager of Nagaoka District Office</p> <p>June 2011 Executive Officer, General Manager of Nagaoka District Office, Domestic Project Division</p> <p>June 2012 Managing Director, General Manager of Nagaoka District Office, Domestic Project Division (up to the present date) <Significant positions concurrently held> President at JAPEX Pipeline Ltd. President at North Japan Security Service Co., Ltd. Director at JAPEX Offshore, Ltd.</p>	1,700 shares
12*	Yosuke Higai (April 9, 1955)	<p>April 1978 Joined JAPEX</p> <p>Sep. 2003 General Manager of Procurement Dept.</p> <p>June 2007 General Manager of Administration Dept.</p> <p>June 2009 Executive Officer, General Manager of Administration Dept.</p> <p>June 2010 Executive Officer</p> <p>June 2012 Managing Executive Officer (up to the present date)</p>	2,100 shares
13*	Shigeru Mitsuya (April 15, 1953)	<p>April 1977 Joined JAPEX</p> <p>June 2003 Chief Representative of Jakarta Office</p> <p>July 2008 General Manager of Second Project Dept., International Oil & Gas Division</p> <p>May 2009 General Manager of Kangean Project Dept.</p> <p>June 2010 Executive Officer, Vice President of International Oil & Gas Division</p> <p>June 2011 Executive Officer, Vice President of Asia & Oceania Project Division</p> <p>June 2012 Managing Executive Officer, Vice President of Asia & Oceania Project Division (up to the present date)</p>	600 shares

Candidate No.	Name (Date of birth)	Brief history, Position and responsibilities in JAPEX or Significant positions concurrently held	JAPEX shares owned
14	Kazuo Kawakami (April 26, 1933)	<p>April 1958 Appointed prosecutor</p> <p>Jan. 1983 Head of Special Investigation Force, The Tokyo District Public Prosecutors Office</p> <p>Sep. 1989 Chief of Trial Proceedings, Supreme Public Prosecutors' Office</p> <p>May 1991 Recorded attorney (Daiichi Tokyo Bar Association) (up to the present date)</p> <p>June 2007 Director at JAPEX (up to the present date)</p> <p><Significant position concurrently held></p> <p>Attorney</p>	1,000 shares

- (Notes) 1. The candidates noted with asterisk are newly appointed candidates for Director.
2. Osamu Watanabe, a candidate, is concurrently serving as the Chairman at JAPEX Montney Ltd., and Mitsuru Saito, a candidate, is concurrently serving as the President at JAPEX Montney Ltd., to which JAPEX is lending funds. No significant interest-based relationship exists between other candidates for Director and JAPEX.
3. Kazuo Kawakami is a candidate for Outside Director. We submitted to the Tokyo Stock Exchange a report that we had elected him as an Independent Officer. If he is reelected, he will continue to work as an Independent Officer.
4. While having no experience of being directly involved in corporate management, Kazuo Kawakami is judged to be qualified to be an Outside Director and appointed as a candidate for that post in the hope that he will enable further appropriate execution of our business by supervising our management and making extensive proposals on the basis of knowledge and experience as a legal expert.
5. At the end of this general meeting of shareholders, Kazuo Kawakami will have served as an Outside Director of JAPEX for six (6) years.

Item 3: Election of Two (2) Corporate Auditors

Upon closing of this general meeting of shareholders, the terms of office of Corporate Auditors Ken Fujii and Morio Ishizeki will expire. We kindly ask our shareholders to elect two (2) Corporate Auditors.

The candidates for Corporate Auditor are as listed below.

The Board of Corporate Auditors consented to this proposal.

Candidate No.	Name (Date of birth)	Brief history, Position in JAPEX or Significant positions concurrently held	JAPEX shares owned
1*	Nobuaki Moritani (February 2, 1952)	<p>April 1974 Joined JAPEX</p> <p>June 2004 General Manager of Operations Dept., Development Division</p> <p>June 2007 Managing Executive Officer</p> <p>Nov. 2008 Managing Executive Officer, General Manager of Sapporo Division Office (later General Manager of Hokkaido Division Office)</p> <p>June 2010 Managing Director, General Manager of Hokkaido Division Office</p> <p>June 2011 Managing Director, President of Asia & Oceania Project Division (up to the present date)</p>	2,600 shares
2	Morio Ishizeki (February 28, 1953)	<p>April 1976 Joined JAPEX</p> <p>June 2002 Senior Manager of Controlling Group, Finance & Accounting Dept.</p> <p>June 2005 Director at JAPEX SKS Corp.</p> <p>June 2009 Full-time Corporate Auditor at JAPEX (up to the present date)</p>	1,200 shares

- (Notes) 1. The candidate noted with asterisk is a newly appointed candidate for Corporate Auditor.
2. No significant interest-based relationship exists between respective candidates for Corporate Auditor and JAPEX.

Item 4: Awarding Retirement Benefits to Retiring Directors and Retiring Corporate Auditor

Upon closing of this general meeting of shareholders, Director Toshio Ibi, Director Nobuaki Moritani, and Corporate Auditor Ken Fujii will be retiring from their respective posts.

Therefore, retirement benefits shall be awarded according to the standards specified by JAPEX in recognition of services during their respective tenures. We kindly ask our shareholders to allow deliberation by the Board of Directors with regard to the specific amount, period, and method of payment, etc. for the retiring Directors, and consultation among Corporate Auditors with regard to similar specific matters for the retiring Corporate Auditor.

Their brief histories are as follows:

Name	Brief history
Toshio Ibi	June 2007 Managing Director, General Manager of Sapporo Division Office Nov. 2008 Managing Director, Vice President of International Oil & Gas Division June 2011 Senior Managing Director (up to the present date)
Nobuaki Moritani	June 2010 Managing Director, General Manager of Hokkaido Division Office June 2011 Managing Director, President of Asia & Oceania Project Division (up to the present date)
Ken Fujii	June 2009 Full-time Corporate Auditor at JAPEX (up to the present date)

Item 5: Payment of Bonuses to Corporate Auditors

Bonus payments will not be made to the Directors and a total bonus amount of 4,800,000 yen will be paid to four (4) Corporate Auditors tenured during the fiscal year ended March 31, 2013, in view of the performance of the fiscal year ended March 31, 2013.

Item 6: Revision to Remuneration for Corporate Auditors

The amount of remuneration for the Corporate Auditors of JAPEX was resolved at the 36th Ordinary General Meeting of Shareholders held on June 27, 2006 to be within 5 million yen per month, and the amount has remained the same to date. We will revise it to be within 6 million yen per month, in view of the greater responsibilities borne by Corporate Auditors in recent years and various other matters.

The number of Corporate Auditors is presently four (4) and when Item 3 is approved and resolved as proposed, the number will also be four (4).

Consolidated Balance Sheets

(As of March 31, 2013)

(Unit: millions of yen)

Accounting titles (Assets)	Amount	Accounting titles (Liabilities)	Amount
Current assets	188,645	Current liabilities	41,155
Cash and deposits	53,870	Notes and accounts payable-trade	18,947
Notes and accounts receivable-trade	32,337	Provision for directors' bonuses	23
Short-term investment securities	53,414	Provision for loss on disaster	1
Merchandise and finished goods	4,490	Other	22,182
Work in process	77		
Raw materials and supplies	7,007	Noncurrent liabilities	80,391
Deferred tax assets	1,210	Long-term loans payable	24,197
Short-term loans receivable	31,418	Deferred tax liabilities	31,983
Other	4,850	Provision for retirement benefits	6,938
Allowance for doubtful accounts	(31)	Provision for directors' retirement benefits	802
		Asset retirement obligations	10,858
Noncurrent assets	336,526	Other	5,611
Property, plant and equipment	90,683	Liabilities	121,547
Buildings and structures	34,607	(Net assets)	
Wells	5,130	Shareholders' equity	306,268
Machinery, equipment and vehicles	28,989	Capital stock	14,288
Land	12,175	Retained earnings	291,990
Construction in progress	2,957	Treasury stock	(10)
Other	6,823	Accumulated other comprehensive income	76,173
Intangible assets	10,394	Valuation difference on available-for-sale securities	78,310
Other	10,394	Deferred gains or losses on hedges	226
Investments and other assets	235,449	Foreign currency translation adjustment	(2,362)
Investment securities	177,304	Minority interests	21,183
Long-term loans receivable	30,331	Net assets	403,625
Deferred tax assets	5,959	Liabilities and net assets	525,172
Other	26,515		
Allowance for doubtful accounts	(31)		
Allowance for overseas investment loss	(4,630)		
Assets	525,172		

(Amounts truncated to millions of yen)

Consolidated Statements of Income

(From April 1, 2012
To March 31, 2013)

(Unit: millions of yen)

Accounting titles	Amount	
Net sales		231,086
Cost of sales		172,075
Gross profit		59,010
Exploration expenses		13,086
Selling, general and administrative expenses		32,017
Operating income		13,906
Non-operating income		
Interest income	2,085	
Dividends income	9,628	
Gain on sales of securities	411	
Foreign exchange gains	1,534	
Other	1,476	15,135
Non-operating expenses		
Interest expenses	275	
Loss on sales of securities	190	
Loss on valuation of securities	1	
Loss on valuation of derivatives	208	
Other	283	958
Ordinary income		28,082
Extraordinary income		
Gain on sales of noncurrent assets	53	
Subsidy income	345	
Gain on transfer of mining rights	2,829	
Other	12	3,240
Extraordinary loss		
Loss on retirement of noncurrent assets	667	
Impairment loss	37,094	
Other	0	37,762
Loss before income taxes and minority interests		6,439
Income taxes-current	3,352	
Income taxes-deferred	(10,279)	(6,927)
Income before minority interests		487
Minority interests in income		1,352
Net loss		865

(Amount truncated to millions of yen)

Consolidated Statements of Changes in Net Assets

(From April 1, 2012
To March 31, 2013)

(Unit: millions of yen)

	Shareholders' equity				Accumulated other comprehensive income				Minority interests	Total net assets
	Capital stock	Retained earnings	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at the end of current period	14,288	294,323	(10)	308,601	89,366	20	(5,391)	83,995	14,176	406,773
Changes of items during the period										
Dividends from surplus		(2,286)		(2,286)						(2,286)
Net loss		(865)		(865)						(865)
Change of scope of equity method		817		817						817
Net changes of items other than shareholders' equity					(11,056)	206	3,028	(7,822)	7,007	(814)
Total changes of items during the period	—	(2,333)	—	(2,333)	(11,056)	206	3,028	(7,822)	7,007	(3,147)
Balance at the beginning of current period	14,288	291,990	(10)	306,268	78,310	226	(2,362)	76,173	21,183	403,625

(Amount truncated to millions of yen)

Balance Sheets

(As of March 31, 2013)

(Unit: millions of yen)

Accounting titles (Assets)	Amount	Accounting titles (Liabilities)	Amount
Current assets	123,012	Current liabilities	32,637
Cash and deposits	16,150	Accounts payable-trade	15,293
Accounts receivable-trade	24,762	Current portion of long-term loans payable	4,563
Short-term investment securities	34,269	Lease obligations	453
Merchandise and finished goods	4,352	Accounts payable-other	3,604
Raw materials and supplies	6,055	Accrued expenses	7,970
Advance payments-trade	1	Income taxes payable	310
Prepaid expenses	437	Advances received	32
Deferred tax assets	1,045	Deposits received	147
Accrued income	346	Provision for directors' bonuses	4
Short-term loans receivable	26,999	Provision for loss on disaster	1
Short-term loans receivable from subsidiaries and affiliates	5,467	Provision for loss on construction contracts	123
Accounts receivable-other	89	Asset retirement obligations	130
Advances paid	825	Noncurrent liabilities	74,026
Other	2,210	Long-term loans payable	24,197
Noncurrent assets	330,394	Lease obligations	3,940
Property, plant and equipment	67,054	Deferred tax liabilities	31,366
Buildings	8,758	Provision for retirement benefits	6,034
Structures	19,775	Provision for directors' retirement benefits	693
Wells	1,296	Provision for loss on business of subsidiaries and affiliates	240
Machinery and equipment	21,052	Asset retirement obligations	6,690
Vessels	0	Other	862
Vehicles	7	Liabilities	106,663
Tools, furniture and fixtures	1,664		
Land	9,638		
Lease assets	4,175	(Net assets)	
Construction in progress	684	Shareholders' equity	268,403
Wells in progress	2	Capital stock	14,288
Intangible assets	924	Retained earnings	254,125
Leasehold right	154	Legal retained earnings	3,572
Software	637	Other retained earnings	250,553
Other	132	Reserve for overseas investment loss	4,261
Investment and other assets	262,414	Reserve for mine prospecting	21,309
Investment securities	139,451	Reserve for advanced depreciation of noncurrent assets	236
Stocks of subsidiaries and affiliates	93,813	Reserve for exploration	47,246
Long-term loans receivable	1,098	General reserve	181,600
Long-term loans receivable from employees	0	Retained earnings brought forward	(4,099)
Long-term loans receivable from subsidiaries and affiliates	32,225	Treasury stock	(10)
Long-term prepaid expenses	1,241	Valuation and translation adjustments	78,339
Other	2,325	Valuation difference on available-for-sale securities	78,300
Allowance for doubtful accounts	(15)	Deferred gains or losses on hedges	38
Allowance for overseas investment loss	(7,725)	Net assets	346,743
Assets	453,406	Liabilities and net assets	453,406

(Amount truncated to millions of yen)

Statements of Income

〔 From April 1, 2012
To March 31, 2013 〕

(Unit: millions of yen)

Accounting titles	Amount	
Net sales		174,604
Cost of sales		128,233
Gross profit		46,370
Exploration expenses		9,125
Selling, general and administrative expenses		25,838
Operating income		11,407
Non-operating income		
Interest income	1,665	
Interest on securities	83	
Dividends income	10,094	
Foreign exchange gains	1,534	
Other	932	14,310
Non-operating expenses		
Interest expenses	272	
Loss on sales of securities	190	
Loss on valuation of securities	1	
Provision for overseas investment loss	509	
Loss on valuation of derivatives	208	
Other	170	1,353
Ordinary income		24,364
Extraordinary income		
Gain on sales of noncurrent assets	53	
Gain on reversal of provision for loss on disaster	12	65
Extraordinary loss		
Loss on retirement of noncurrent assets	595	
Loss on sales of noncurrent assets	0	
Impairment loss	34,317	
Loss on support to subsidiaries and affiliates	2,750	37,663
Loss before income taxes		13,233
Income taxes-current	1,238	
Income taxes-deferred	(5,751)	(4,512)
Net loss		8,721

(Amount truncated to millions of yen)

Statements of Changes in Net Assets

(From April 1, 2012)
(To March 31, 2013)

(Unit: millions of yen)

	Shareholders' equity										Total shareholders' equity
	Capital Stock	Retained earnings									
		Legal retained earnings	Other retained earnings							Treasury stock	
			Reserve for overseas investment loss	Reserve for mine prospecting	Reserve for advanced depreciation of noncurrent assets	Reserve for exploration	General reserve	Retained earnings brought forward	Total retained earnings		
Balance at the end of current period	14,288	3,572	2,372	21,643	258	47,246	171,600	18,440	265,133	(10)	279,410
Changes of items during the period											
Provision of reserve for overseas investment loss			1,972					(1,972)	—		—
Reversal of reserve for overseas investment loss			(83)					83	—		—
Provision of reserve for mine prospecting				6,000				(6,000)	—		—
Reversal of reserve for mine prospecting				(6,333)				6,333	—		—
Provision of reserve for advanced depreciation of noncurrent asset					2			(2)	—		—
Reversal of reserve for advanced depreciation of noncurrent assets					(24)			24	—		—
Provision of general reserve							10,000	(10,000)	—		—
Dividends from surplus								(2,286)	(2,286)		(2,286)
Net loss								(8,721)	(8,721)		(8,721)
Net changes of items other than shareholders' equity											
Total changes of items during the period	—	—	1,889	(333)	(22)	—	10,000	(22,540)	(11,007)	—	(11,007)
Balance at the beginning of current period	14,288	3,572	4,261	21,309	236	47,246	181,600	(4,099)	254,125	(10)	268,403

	Valuation and translation adjustments			Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at the end of current period	89,396	6	89,403	368,813
Changes of items during the period				
Provision of reserve for overseas investment loss				—
Reversal of reserve for overseas investment loss				—
Provision of reserve for mine prospecting				—
Reversal of reserve for mine prospecting				—
Provision of reserve for advanced depreciation of noncurrent asset				—
Reversal of reserve for advanced depreciation of noncurrent assets				—
Provision of general reserve				—
Dividends from surplus				(2,286)
Net loss				(8,721)
Net changes of items other than shareholders' equity	(11,095)	31	(11,063)	(11,063)
Total changes of items during the period	(11,095)	31	(11,063)	(22,070)
Balance at the beginning of current period	78,300	38	78,339	346,743

(Amounts truncated to millions of yen)

Guidance on the Exercise of Voting Rights via the Internet

1. Matters to be acknowledged when exercising voting rights via the Internet

When exercising voting rights via the Internet, please acknowledge the following matters before exercising the rights.

- (1) Exercise of voting rights via the Internet is only possible by accessing the website (see URL shown below) designated by the Company for the purpose of exercising voting rights. Please note that a code for the exercise of voting rights and a password provided at the bottom right side of your Voting Rights Exercise Form enclosed with the convocation notice are necessary for exercising voting rights via the Internet.
- (2) The code for the exercise of voting rights and password provided this time are effective only for this General Meeting of Shareholders. For the next General Meeting, a new code and a password will be issued.
- (3) If you exercise your voting rights both in writing and via the Internet, we will only accept the exercise of your voting rights via the Internet as valid.
- (4) If you exercise your voting rights more than once via the Internet, we will only accept the last exercise of your voting rights as valid.
- (5) Any access charge to be paid to a service provider, communication charge to telecommunications carriers, or other costs relating to the Internet shall be borne by shareholders.

2. Instructions for exercising voting rights via the Internet

- (1) Access <http://www.it-soukai.com/> or <https://daiko.mizuho-tb.co.jp/>.
The above URLs are unavailable for access between 3:00 a.m. to 5:00 a.m. during the exercise period.
- (2) Enter your code for the exercise of voting rights and password, and click the “Login” button.
The code for the exercise of voting rights and password are provided at the bottom right side of your Voting Rights Exercise Form enclosed with the convocation notice.
- (3) Exercise your voting rights by following the guidance on the screen and registering your approval or disapproval of each proposition prior to 5:35 p.m., Monday, June 24, 2013.

3. System requirements

To exercise your voting rights via the Internet, you will need to have the following systems:

- Ⓞ Personal computer
Windows® computer
Please note, for some mobile phone units such as smartphones, there is no guarantee of proper operation, and service may not be available.
- Ⓞ Browser
Microsoft® Internet Explorer 5.5 or higher
- Ⓞ Internet environment
An environment in which access to the Internet is available is necessary. (for example, through a contract with an Internet service provider)
- Ⓞ Monitor resolution
1024 x 768 or higher is recommended.

(Note) Microsoft and Windows are registered trademarks or trademarks of Microsoft Corporation in the U.S. and other countries.

4. Security

You may exercise your voting rights safely due to the encryption technology (SSL 128 bit) used to protect your voting information from being tampered with or stolen.

The code for the exercise of voting rights and password provided on your Voting Rights Exercise Form are important to verify that the person voting is a genuine shareholder. Please maintain them as strictly confidential. In no event will the Company ask you your password.

5. Inquiries

- (1) For exclusive inquiries about how to exercise your voting rights via the Internet, etc.
Internet Help Dial, Stock Transfer Agent Department, Mizuho Trust & Banking Co., Ltd.
Phone: 0120-768-524 (toll free)
Hours: 9:00 a.m. to 9:00 p.m., excluding Saturdays, Sundays and national holidays
- (2) For inquiries other than those above (1).
Transfer Agent Department, Mizuho Trust & Banking Co., Ltd.
Phone: 0120-288-324 (toll free)
Hours: 9:00 a.m. to 5:00 p.m., excluding Saturdays, Sundays and national holidays

[To Institutional Investors]

Institutional investors may use the electronic platform for the exercise of voting rights operated by ICJ Inc. if you apply in advance.

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