

Consolidated Financial Results for the Fiscal Year Ended March 31, 2014 <under Japanese GAAP>

May 12, 2014

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

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 Listing: Tokyo Stock Exchange, First Section
 Securities code: 1662
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 Scheduled date of ordinary general shareholders' meeting: June 25, 2014
 Scheduled date to commence dividend payments: June 26, 2014
 Scheduled date to file Securities Report: June 26, 2014
 Presentation of supplementary material on financial results: Yes
 Holding of financial results presentation meeting (for institutional investors and analysts): Yes

(Millions of yen with fractional amounts discarded, unless otherwise noted)

1. Consolidated financial results for the fiscal year ended March 31, 2014 (April 1, 2013 – March 31, 2014)

(1) Consolidated operating results (Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2014	276,588	19.7	24,634	77.1	43,889	56.3	29,015	–
March 31, 2013	231,086	0.2	13,906	(7.6)	28,082	26.7	(865)	–

Note: Comprehensive income: FY2014: 45,798 million yen (- %) FY2013: -6,957 million yen (- %)

Fiscal year ended	Net income per share	Diluted net income per share	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to sales
	Yen	Yen	%	%	%
March 31, 2014	507.68	–	7.2	7.4	8.9
March 31, 2013	(15.14)	–	(0.2)	5.3	6.0

Reference: Equity in earnings (losses) of affiliates: FY2014: 12,140 million yen FY2013: 753 million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2014	663,038	496,915	63.7	7,389.62
As of March 31, 2013	525,172	403,625	72.8	6,691.58

Reference: Equity As of March 31, 2014: 422,336 million yen As of March 31, 2013: 382,441 million yen

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2014	45,226	(131,600)	71,680	102,830
March 31, 2013	34,254	(14,836)	(7,177)	112,639

2. Cash dividends

	Annual dividends					Total annual cash dividends	Dividend payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	First quarter	Second quarter	Third quarter	Fiscal year-end	Annual			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2013	–	20.00	–	20.00	40.00	2,286	–	0.6
Fiscal year ended March 31, 2014	–	25.00	–	25.00	50.00	2,857	9.8	0.7
Fiscal year ending March 31, 2015 (Forecast)	–	25.00	–	25.00	50.00		10.4	

3. Consolidated financial forecasts for the fiscal year ending March 31, 2015 (April 1, 2014 – March 31, 2015)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
For the six months ending September 30, 2014	157,514	31.0	14,339	24.2	20,159	1.3	13,597	(14.4)	237.91
Fiscal year ending March 31, 2015	323,633	17.0	33,077	34.3	41,469	(5.5)	27,379	(5.6)	479.04

* Notes

- (1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Changes in accounting policies, changes in accounting estimates, and restatement
 - a. Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
 - b. Changes in accounting policies due to other reasons: None
 - c. Changes in accounting estimates: Yes
 - d. Restatement: None
- (3) Number of issued shares (common shares)
 - a. Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2014	57,154,776 shares
As of March 31, 2013	57,154,776 shares
 - b. Number of treasury shares at the end of the period

As of March 31, 2014	2,139 shares
As of March 31, 2013	2,139 shares
 - c. Average number of shares during the period

Fiscal year ended March 31, 2014	57,152,637 shares
Fiscal year ended March 31, 2013	57,152,637 shares

Reference: Summary of non-consolidated results

Non-consolidated financial results for the fiscal year ended March 31, 2014
(April 1, 2013 – March 31, 2014)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2014	207,086	18.6	16,532	44.9	32,841	34.8	22,909	–
March 31, 2013	174,604	0.4	11,407	10.2	24,364	30.8	(8,721)	–

Fiscal year ended	Net income per share	Diluted net income per share
	Yen	Yen
March 31, 2014	400.85	–
March 31, 2013	(152.59)	–

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2014	486,800	373,587	76.7	6,536.67
As of March 31, 2013	453,406	346,743	76.5	6,066.97

Reference: Equity As of March 31, 2014: 373,587 million yen As of March 31, 2013: 346,743 million yen

* Indication regarding execution of audit procedures

At the time of disclosure of this financial results report, the audit procedures for the consolidated financial statements in accordance with the Financial Instruments and Exchange Act are in progress.

* Proper use of financial forecasts, and other special matters

The forward-looking statements, including the financial forecasts shown in this document are based on information currently available to the Company and on certain assumptions deemed to be reasonable. As such, they do not constitute guarantees by the Company of future performance. Actual performance and other results may differ materially from these forecasts due to various factors.

For the suppositions that form the assumptions for financial forecasts and cautions concerning the use thereof, please refer to the section of “(1) Analysis of operating results” of “1. Analysis of operating results and financial position” on pages 4-5 of the attached material to the financial results report.

(Method of accessing supplementary material on financial results)

On May 12, 2014 (Monday), JAPEX plans to post supplementary material on its website.

In addition, JAPEX plans to hold a presentation meeting for institutional investors and analysts on May 13, 2014 (Tuesday). JAPEX plans to post the material distributed at this presentation meeting on its website promptly after the meeting is held.

(Attached Material)

1. Analysis of operating results and financial position

(1) Analysis of operating results

In the fiscal year ended March 31, 2014, the Japanese economy showed signs of improvement over the summer season and embarked on a moderate recovery from that time on. At the fiscal year-end, a rush in demand ahead of the consumption tax hike in April 2014 intensified, while there were simultaneous improvements in corporate earnings and the employment situation, and both developments contributed to consistently strong economic conditions. Nevertheless, in the near term there are concerns of a fall in demand following the rush ahead of the consumption tax hike.

The Japan Crude Cocktail (JCC) price began the fiscal year in the range between \$110 and \$120 per barrel and fell to around the \$105 level over the summer. The price rose again after the summer, hovering loosely in the lower \$110 range.

In the currency exchange market, the yen began the fiscal year at around the level of ¥95 against the US dollar, but after that the trend toward yen depreciation intensified. In December 2013 the yen reached the level of around ¥105 against the US dollar before settling down to the lower ¥100 range at the fiscal year-end. As a result, the JAPEX Group's crude oil prices for the fiscal year rose compared with the previous fiscal year.

On the other hand, amid persistently high demand for natural gas, following the Great East Japan Earthquake, procuring liquefied natural gas (LNG) as a basic material remained difficult, particularly in terms of pricing, while industry trends in relation to the development of supply infrastructure continued to move forward. As a result, the JAPEX Group faced an uncertain market environment.

Given this environment, the JAPEX Group endeavored to secure production and transportation, and focused on efficient E&P in Japan and overseas toward achieving a stable, long-term supply of energy essential for daily life.

During the fiscal year under review, net sales was at ¥276,588 million, an increase of ¥45,502 million (+19.7%) year on year. Two of the main factors behind the year-on-year increase in sales were an increase in sales volume of crude oil from overseas and a rise in sales prices due to the impact of foreign exchange rates. Gross profit was at ¥66,127 million, an increase of ¥7,117 million (+12.1%) year on year. This was mainly the result of the aforementioned increases in sales volume of crude oil from overseas and sales prices, in addition to a decrease in cost of sales due to decreased depreciation.

Exploration expenses decreased by ¥3,285 million (-25.1%) year on year to ¥9,800 million. This was mainly the result of a considerable decrease in overseas expenditures. Selling, general and administrative expenses decreased by ¥324 million (-1.0%) year on year to ¥31,692 million. As a result, operating income increased by ¥10,728 million (+77.1%) year on year to ¥24,634 million.

Ordinary income increased ¥15,806 million (+56.3%) year on year to ¥43,889 million, mainly due to an increase in share of profit of entities accounted for using equity method, despite a decline in dividend income.

Income before income taxes and minority interests was ¥35,584 million, a ¥42,024 million increase year on year. This mainly reflected a decrease in impairment loss on business assets for production operation at the Yufutsu Oil and Gas Field in Hokkaido, which was recorded under extraordinary losses due to a decline in production capacity at the said Oil and Gas Field.

Net income was ¥29,015 million, a ¥29,880 million increase year on year. This was the result of an increase in deferred income taxes mainly due to the decline of recording of deferred tax assets in line with the above-mentioned posting of impairment loss.

Below is a breakdown of sales.

(i) E&P

Net sales from E&P (including liquefied natural gas (LNG) and bitumen) came to ¥217,157 million, an increase of ¥39,734 million (+22.4%) year on year. This mainly reflected a sales increase from the start of crude oil production at the Garraf oilfield in Iraq and an increase in sales prices due to a substantial swing towards yen depreciation in foreign exchange rates, which outweighed sales volume declines for domestically produced crude oil, bitumen and natural gas.

(ii) Contract Services

Net sales from contract services (involved in drilling and geological surveys) came to ¥8,740 million, a decrease of ¥934 million (-9.7%) year on year.

(iii) Other Businesses

Net sales from other businesses, such as the sale of oil products, including liquefied petroleum gas (LPG), fuel oil and the like, the transportation of natural gas and oil products as well as other subcontracted tasks, came to ¥50,691 million, an increase of ¥6,703 million (+15.2%) year on year due mainly to an increase in sales volume of oil products.

Below is a summary of performance by segment.

(1) Japan

Net sales from the Japan segment are mainly composed of E&P (including LNG), contract services, and oil products and the like. In the fiscal year under review, net sales was at ¥261,547 million, an increase of ¥40,442 million (+18.3%) year on year. This was mainly the result of an increase in sales volume of purchased crude oil and an increase in sales prices due to a substantial swing towards yen depreciation in foreign exchange rates, which outweighed sales volume declines for domestically produced crude oil and natural gas. Segment profit came to ¥31,607 million, an increase of ¥5,592 million (+21.5%) year on year. This mainly reflected the above-mentioned increase in sales prices, a decline in cost of sales due to decreases in depreciation and variable costs, and a decline in selling, general and administrative expenses.

(2) North America

Net sales from the North America segment are mainly composed of E&P (including bitumen). In the fiscal year under review, net sales was at ¥14,668 million, an increase of ¥4,671 million (+46.7%) year on year. This was primarily the result of yen depreciation at Japan Canada Oil Sands Limited (JACOS) and the addition of E&P at JAPEX Montney Ltd. In addition, there was segment profit of ¥1,897 million (compared to segment loss of ¥191 million in the previous fiscal year). This reflected a substantial reduction in exploration expenses due to the transition to operations following our final investment decision in December 2012 on JACOS' Hangingstone oil sands project in Alberta, Canada, in addition to the above-mentioned positive factors due to the increase in net sales.

(3) Middle East

In the Middle East segment, commercial production started at the Garraf oilfield in Iraq in August, and developments are underway at the field with the aim of production increase. In the fiscal year under review, net sales in this segment was at ¥16,244 million, reflecting the start of crude oil sales. There was segment profit of ¥2,263 million (compared to segment loss of ¥104 million in the previous fiscal year).

Outlook for the fiscal year ending March 31, 2015

Our forecast is based on a JCC price of \$100 per barrel and an exchange rate of ¥100/\$. Actual non-consolidated results for the fiscal year under review came to \$110.51 per barrel and ¥99.31/\$.

In the fiscal year ending March 31, 2015, net sales is expected to increase by ¥47,044 million (+17.0%) from the fiscal year under review to ¥323,633 million. Although we anticipate a decline in net sales due to a fall in crude oil prices, we expect this to be outweighed by an increase in net sales resulting from a rise in sales volume of crude oil from overseas.

Operating income is forecast to increase ¥8,442 million (+34.3%) from the fiscal year under review to ¥33,077 million. This mainly reflects expectations of a decrease in exploration expenses and an increase in profit from an increase in crude oil from overseas.

Ordinary income is forecast to decrease ¥2,420 million (-5.5%) from the fiscal year under review to ¥41,469 million, mainly due to an expected decline in share of profit of entities accounted for using equity method.

Net income is expected to decrease ¥1,636 million (-5.6%) from the fiscal year under review to ¥27,379 million, mainly due to an expected increase in income taxes, despite the anticipated positive effect from the absence of the impairment loss on business assets for production operation at Yufutsu oil and gas field, which was posted under extraordinary losses in the fiscal year under review.

(2) Analysis of financial position

a. Balance sheet

Total assets at the end of this fiscal year stood at ¥663,038 million, an increase of ¥137,865 million year on year mainly due to increase in non-current assets.

The main changes in current assets were decreases in securities and short-term loans receivable based on repo transactions, despite an increase in cash and deposits.

The main factors for change in non-current assets were as follows. In property, plant and equipment, there was the recognition of assets relating to a project for the development and production of shale gas in British Columbia, Canada and an increase in the investments relating to the development of oil sands in the Hangingstone area in Alberta, Canada. Furthermore, in investments and other assets, there was a rise in the stock prices of INPEX CORPORATION and other companies, and an increase in the investments relating to development of the Garraf oilfield in Iraq.

Regarding liabilities and net assets, total year-end liabilities increased by ¥44,575 million year on year to ¥166,123 million, mainly the result of increases in short-term loans payable and accounts payable relating to capital investment included in other under current liabilities, and total year-end net assets increased by ¥93,290 million year on year to ¥496,915 million, mainly due to increases in retained earnings, valuation difference on available-for-sale securities and minority interests.

b. Cash flows

As of March 31, 2014, cash and cash equivalents (hereinafter, "net cash") totaled ¥102,830 million, down ¥9,809 million, compared to the end of the previous fiscal year. Below is a summary of cash flows for each activity.

(Cash flows from operating activities)

Net cash provided by operating activities amounted to ¥45,226 million. Net cash was mainly provided by income before income taxes and minority interests of ¥35,584 million, depreciation of ¥15,567 million and recovery of recoverable accounts of ¥13,749 million, while net cash was mainly used in share of profit of entities accounted for using equity method of ¥12,140 million and decrease in notes and accounts receivable - trade of ¥4,766 million.

(Cash flows from investing activities)

Net cash used in investing activities amounted to ¥131,600 million. Net cash was mainly used in purchase of property, plant and equipment of ¥121,283 million and payments of recoverable accounts of ¥20,553 million, while net cash was mainly provided by interest and dividend income received of ¥13,702 million.

(Cash flows from financing activities)

Net cash provided by financing activities was ¥71,680 million. Net cash was mainly provided by increase in short-term loans payable of ¥206,318 million and proceeds from share issuance to minority shareholders of ¥52,383 million, while net cash was mainly used in decrease in short-term loans payable of ¥178,149 million, repayments of long-term loans payable of ¥4,816 million and cash dividends paid of ¥2,571 million.

Reference: Trend of cash flow indicators

Fiscal years ended March 31	2010	2011	2012	2013	2014
Equity ratio (%)	75.0	74.7	73.7	72.8	63.7
Equity ratio on mark-to-market basis (%)	52.0	46.1	41.3	40.6	29.6
Interest-bearing debt to cash flow ratio (years)	0.7	0.8	0.9	0.8	1.2
Interest coverage ratio (times)	117.2	170.9	197.6	110.9	53.2

Equity ratio: Equity/Total assets

Equity ratio on mark-to-market basis: Total market capitalization/Total assets

Interest-bearing debt to cash flow ratio: Interest-bearing debt/Cash flows

Interest coverage ratio: Cash flow/Interest paid

Notes:

- *1. The above indicators are calculated based on consolidated financial figures.
- *2. Total market capitalization is calculated based on the number of shares outstanding (excluding treasury shares).
- *3. Cash flow here is cash flows from operating activities.
- *4. Interest-bearing debt is all debt subject to interest payments within liabilities (excluding lease obligations) shown on the consolidated balance sheet.

(3) Fundamental policy on allocation of profits and dividends for this year and next year

JAPEX's basic policy is to sustain stable dividends over the long term. Taking into account the medium- and long-term outlook for the business, dividend payments are set based on respect for the return of profits to shareholders. While considering the need to secure new reserves in Japan and overseas as an energy company that plays a role in providing stable supplies of oil and natural gas, which are indispensable for society, the policy also takes into account the need for retained earnings to develop, upgrade and improve supply infrastructure.

Based on the above reasoning, an annual dividend of ¥50 per share (¥25 yen per share interim dividend and ¥25 yen per share year-end dividend) is planned for the fiscal year under review. In addition, the same annual dividend of ¥50 per share (¥25 yen per share interim dividend and ¥25 yen per share year-end dividend) is planned for the next fiscal year.

(4) Risk Factors

Of the risk factors described in the Company's latest Annual Securities Report (submitted on June 26, 2013), in "(1) Business Characteristics, 3. Business Risks, 4. Risk Factors, 2. Operating and Financial Review and Prospects of 1. Overview of JAPEX and Its Subsidiaries," the following matter is described in this report as a matter that may have a material impact on investment decisions: owing to a decline in production capacity at Yufutsu oil and gas field in Tomakomai City, Hokkaido, the Company posted an impairment loss of ¥37,031 million in the fiscal year ended March 31, 2013, and posted a further impairment loss of ¥7,983 million in the third quarter of the fiscal year ended March 31, 2014, in light of a re-evaluation of the production capacity at the said Oil and Gas Field.

2. Business policies

(1) Fundamental business policies

Since its establishment in 1955, JAPEX has pursued its mission of contributing to Japan's energy supplies by securing reserves and expanding production centered on the exploration, development, and sale of oil and natural gas. Guided by this mission, JAPEX has steadily discovered oil and natural gas reserves to result in the business base of today.

In light of its expanding role as a supplier and, consequently, related increases in its responsibility to society with regard to a stable supply, the JAPEX Group is actively focused on constructing a new business model that not only relies on expanding reserves but also upgrading and expanding transportation systems for natural gas and other initiatives. As such, the Group aims to move forward as a company with the competitive capabilities required to respond to changes in its operating environment. The section below outlines the Group's business philosophy in this respect.

JAPEX is committed to contributing to local communities through a stable supply of energy

- Explore for, develop, produce and deliver oil and natural gas in Japan and overseas.
- Further enhance the gas supply chain, supported by our own domestic infrastructures, through aggressive introduction of LNG business.
- Leverage our existing technology and expertise to develop and commercialize new technology.
- Make all stakeholder trust our first priority while striving to achieve sustainable growth and maximize corporate value.

(2) Medium- and long-term business strategy and critical issues

The replacement and expansion of reserves, which are depleted by production and sales activities, and the formulation of a supply structure of oil and natural gas that would ensure long-term stability is of paramount importance to JAPEX, a company whose business is centered on exploration, development and sales of these resources. Additionally, with factors such as intensification in the competitive environment for the domestic natural gas business and changes in social conditions marked by an increase in the importance of global warming countermeasures, the business environment encompassing JAPEX is undergoing a rapid transformation. JAPEX, under the policy of its previous medium-term plan, has been working on establishing a clear action plan for the attainment of important business challenges over the long term by setting the following three activities as core business objectives; "Sustaining and increasing reserves through exploration and development," "Strengthening our natural gas integrated operation system" and "Pursuing technological R&D activities and initiatives to address global environmental challenges." Furthermore, on May 2011, JAPEX announced a new medium-term plan that, while continuously positioning the above-mentioned three activities as the three basic policies for the purpose of the Company's business expansion, particularly positions "Sustaining and increasing reserves through exploration and development" (E&P business) as the core for future growth and focuses on shifting investment to overseas in the E&P business.

Details and subsequent progress of the JAPEX Group Medium-Term Business Plan (for fiscal years 2012 to 2016) released on May 13, 2011 may be accessed with the following URLs in our Website.

http://www.japex.co.jp/english/newsrelease/pdf/JAPEX_20110513c.pdf

"Notice of the Medium-Term Business Plan of the JAPEX Group" (English translation of original Japanese text)

http://www.japex.co.jp/english/ir/pdf/library/JAPEX_Presentation_20120514_E.pdf

"Presentation of Consolidated financial results for the fiscal year ended March 31, 2012" (English translation of original Japanese text)

http://www.japex.co.jp/english/ir/pdf/library/JAPEX_PresentationMaterial_20130513_E.pdf

"Presentation of Consolidated Financial Results for the Fiscal Year Ended March 31, 2013" (English translation of original Japanese text)

In the new Medium-Term Business Plan, JAPEX, mindful of the growing trend towards unstable energy prices and intensifying competition for the development of global resources, aims to achieve further business growth by conducting overseas E&P investment to expand business opportunities and increase reserves while at the same time ensuring the maximization of the value of existing assets in Japan and overseas.

Below are the policies and goals by each business.

(E&P business)

During the five year period from the beginning of the fiscal year ended March 31, 2012 to the end of the fiscal year ending March 31, 2016, JAPEX will shift investment to overseas in the E&P business, aiming to allocate 60% of the ¥280,000 million total investment budgets (¥170,000 million) to overseas investments. By pursuing this policy, JAPEX will be able to increase its consolidated daily production to 70,000 barrels by the end of the fiscal year ending March 31, 2016, from the current 40,000 barrels of daily production. In addition, by re-investing the cash flows provided by production, JAPEX aims to expand the proved reserves to 450 million barrels of crude oil equivalent by fiscal year ending March 31, 2021.

(Domestic natural gas business)

Although not quantitative targets have been set for sales volumes, etc., because of the uncertain business environment, JAPEX, aiming to contribute to the continuing and growing use of natural gas, will concentrate its efforts on the generation of new demand, development of infrastructure and facilities and the adjustment of sales prices to appropriate levels.

(Environment and innovative technology projects)

While stepping up efforts in large projects such as for methane hydrate and Carbon dioxide Capture and Storage (CCS), JAPEX will be the pioneering developer in renewable energy and other new fields. JAPEX aims to make those fields a commercial business by the end of the fiscal year ending March 31, 2016.

The JAPEX Group aims to utilize these activities to further strengthen its operating base and enhance its competitiveness as well as bolster operating efficiency. The ultimate goal is to achieve sustainable development and maximize shareholder value.

3. Consolidated financial statements

(1) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2013	As of March 31, 2014
Assets		
Current assets		
Cash and deposits	53,870	81,031
Notes and accounts receivable - trade	32,337	37,222
Securities	53,414	41,203
Merchandise and finished goods	4,490	4,653
Work in process	77	128
Raw materials and supplies	7,007	6,285
Deferred tax assets	1,210	1,127
Short-term loans receivable	31,418	13,831
Other	4,850	9,772
Allowance for doubtful accounts	(31)	(48)
Total current assets	188,645	195,209
Non-current assets		
Property, plant and equipment		
Buildings and structures	149,528	151,904
Accumulated depreciation	(114,920)	(118,794)
Buildings and structures, net	34,607	33,110
Wells	71,121	80,675
Accumulated depreciation	(65,991)	(69,058)
Wells, net	5,130	11,616
Machinery, equipment and vehicles	113,055	111,305
Accumulated depreciation	(84,066)	(88,411)
Machinery, equipment and vehicles, net	28,989	22,894
Land	12,175	12,193
Construction in progress	2,957	88,541
Other	18,932	46,699
Accumulated depreciation	(12,109)	(14,502)
Other, net	6,823	32,196
Total property, plant and equipment	90,683	200,552
Intangible assets		
Other	10,394	11,365
Total intangible assets	10,394	11,365
Investments and other assets		
Investment securities	177,304	190,765
Long-term loans receivable	30,331	29,100
Deferred tax assets	5,959	6,039
Other	26,515	34,329
Allowance for doubtful accounts	(31)	(39)
Allowance for overseas investment loss	(4,630)	(4,284)
Total investments and other assets	235,449	255,910
Total non-current assets	336,526	467,828
Total assets	525,172	663,038

(Millions of yen)

	As of March 31, 2013	As of March 31, 2014
Liabilities		
Current liabilities		
Notes and accounts payable - trade	18,947	23,610
Short-term loans payable	–	28,169
Provision for directors' bonuses	23	118
Provision for loss on disaster	1	–
Other	22,182	31,555
Total current liabilities	41,155	83,454
Non-current liabilities		
Long-term loans payable	24,197	21,636
Deferred tax liabilities	31,983	32,509
Provision for retirement benefits	6,938	–
Provision for directors' retirement benefits	802	829
Net defined benefit liability	–	6,845
Asset retirement obligations	10,858	16,001
Other	5,611	4,845
Total non-current liabilities	80,391	82,668
Total liabilities	121,547	166,123
Net assets		
Shareholders' equity		
Capital stock	14,288	14,288
Retained earnings	291,990	318,433
Treasury shares	(10)	(10)
Total shareholders' equity	306,268	332,711
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	78,310	84,856
Deferred gains or losses on hedges	226	(56)
Foreign currency translation adjustment	(2,362)	5,166
Remeasurements of defined benefit plans	–	(340)
Total accumulated other comprehensive income	76,173	89,624
Minority interests	21,183	74,579
Total net assets	403,625	496,915
Total liabilities and net assets	525,172	663,038

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

(Millions of yen)

	Fiscal year ended March 31, 2013 (April 1, 2012– March 31, 2013)	Fiscal year ended March 31, 2014 (April 1, 2013– March 31, 2014)
Net sales	231,086	276,588
Cost of sales	172,075	210,460
Gross profit	59,010	66,127
Exploration expenses		
Exploration expenses	13,086	9,985
Exploration subsidies	–	(184)
Total exploration expenses	13,086	9,800
Selling, general and administrative expenses	32,017	31,692
Operating income	13,906	24,634
Non-operating income		
Interest income	2,085	2,341
Dividend income	9,628	2,366
Gain on sales of securities	411	693
Share of profit of entities accounted for using equity method	753	12,140
Foreign exchange gains	1,534	1,173
Other	722	1,868
Total non-operating income	15,135	20,584
Non-operating expenses		
Interest expenses	275	839
Loss on sales of securities	190	–
Loss on valuation of securities	1	–
Loss on valuation of derivatives	208	147
Share issuance cost	43	155
Other	239	187
Total non-operating expenses	958	1,329
Ordinary income	28,082	43,889
Extraordinary income		
Gain on sales of non-current assets	53	2
Subsidy income	345	40
Gain on transfer of mining rights	2,829	–
Other	12	0
Total extraordinary income	3,240	42
Extraordinary losses		
Loss on retirement of non-current assets	667	145
Impairment loss	37,094	7,983
Other	0	219
Total extraordinary losses	37,762	8,347
Income (loss) before income taxes and minority interests	(6,439)	35,584
Income taxes - current	3,352	6,825
Income taxes - deferred	(10,279)	(1,258)
Total income taxes	(6,927)	5,566
Income before minority interests	487	30,017
Minority interests in income	1,352	1,002
Net income (loss)	(865)	29,015

Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2013 (April 1, 2012– March 31, 2013)	Fiscal year ended March 31, 2014 (April 1, 2013– March 31, 2014)
Income before minority interests	487	30,017
Other comprehensive income		
Valuation difference on available-for-sale securities	(11,043)	6,543
Deferred gains or losses on hedges	221	(288)
Foreign currency translation adjustment	3,389	9,486
Share of other comprehensive income of entities accounted for using equity method	(12)	39
Total other comprehensive income	(7,444)	15,781
Comprehensive income	(6,957)	45,798
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(8,709)	42,807
Comprehensive income attributable to minority interests	1,751	2,991

(3) Consolidated statement of changes in equity

Fiscal year ended March 31, 2013 (April 1, 2012 – March 31, 2013)

(Millions of yen)

	Shareholders' equity			
	Capital stock	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	14,288	294,323	(10)	308,601
Changes of items during period				
Dividends of surplus		(2,286)		(2,286)
Net income (loss)		(865)		(865)
Change of scope of equity method		817		817
Net changes of items other than shareholders' equity				
Total changes of items during period	—	(2,333)	—	(2,333)
Balance at end of current period	14,288	291,990	(10)	306,268

	Accumulated other comprehensive income					Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	89,366	20	(5,391)	—	83,995	14,176	406,773
Changes of items during period							
Dividends of surplus							(2,286)
Net income (loss)							(865)
Change of scope of equity method							817
Net changes of items other than shareholders' equity	(11,056)	206	3,028	—	(7,822)	7,007	(814)
Total changes of items during period	(11,056)	206	3,028	—	(7,822)	7,007	(3,147)
Balance at end of current period	78,310	226	(2,362)	—	76,173	21,183	403,625

Fiscal year ended March 31, 2014 (April 1, 2013 – March 31, 2014)

(Millions of yen)

	Shareholders' equity			
	Capital stock	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	14,288	291,990	(10)	306,268
Changes of items during period				
Dividends of surplus		(2,571)		(2,571)
Net income (loss)		29,015		29,015
Change of scope of equity method				—
Net changes of items other than shareholders' equity				
Total changes of items during period	—	26,443	—	26,443
Balance at end of current period	14,288	318,433	(10)	332,711

	Accumulated other comprehensive income					Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	78,310	226	(2,362)	—	76,173	21,183	403,625
Changes of items during period							
Dividends of surplus							(2,571)
Net income (loss)							29,015
Change of scope of equity method							—
Net changes of items other than shareholders' equity	6,546	(283)	7,529	(340)	13,451	53,395	66,846
Total changes of items during period	6,546	(283)	7,529	(340)	13,451	53,395	93,290
Balance at end of current period	84,856	(56)	5,166	(340)	89,624	74,579	496,915

(4) Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2013 (April 1, 2012– March 31, 2013)	Fiscal year ended March 31, 2014 (April 1, 2013– March 31, 2014)
Cash flows from operating activities		
Income (loss) before income taxes and minority interests	(6,439)	35,584
Depreciation	16,294	15,567
Impairment loss	37,094	7,983
Loss on retirement of property, plant and equipment	656	139
Loss (gain) on valuation of short-term and long-term investment securities	1	–
Increase (decrease) in allowance for doubtful accounts	21	25
Increase (decrease) in provision for retirement benefits	(190)	–
Increase (decrease) of liabilities for retirement benefits	–	(585)
Increase (decrease) in provision for directors' retirement benefits	56	26
Increase (decrease) in allowance for overseas investment loss	37	(346)
Interest and dividend income	(11,713)	(4,708)
Interest expenses	275	839
Loss (gain) on sales of short-term and long-term investment securities	(220)	(693)
Share of (profit) loss of entities accounted for using equity method	(753)	(12,140)
Gain on transfer of mining rights	(2,829)	–
Recovery of recoverable accounts	–	13,749
Decrease (increase) in notes and accounts receivable - trade	(4,744)	(4,766)
Decrease (increase) in inventories	(2,115)	506
Increase (decrease) in notes and accounts payable - trade	13,701	364
Increase (decrease) in accrued consumption taxes	351	134
Other, net	(104)	(3,086)
Subtotal	39,380	48,595
Income taxes (paid) refund	(5,125)	(3,369)
Net cash provided by (used in) operating activities	34,254	45,226

(Millions of yen)

	Fiscal year ended March 31, 2013 (April 1, 2012– March 31, 2013)	Fiscal year ended March 31, 2014 (April 1, 2013– March 31, 2014)
Cash flows from investing activities		
Payments into time deposits	(18,124)	(37,754)
Proceeds from withdrawal of time deposits	15,784	31,372
Purchase of securities	(801)	(200)
Proceeds from sales and redemption of securities	3,300	3,204
Purchase of property, plant and equipment	(10,195)	(121,283)
Proceeds from sales of property, plant and equipment	49	12
Purchase of intangible assets	(3,852)	(248)
Proceeds from sales of intangible assets	–	248
Payments for asset retirement obligations	(72)	(202)
Purchase of investment securities	(5,623)	(6,066)
Proceeds from sales and redemption of investment securities	2,446	1,430
Payments for investments in capital	–	(1,353)
Payments of recoverable accounts	(12,061)	(20,553)
Payments of loans receivable	(4,061)	(48)
Collection of loans receivable	2,574	4,768
Interest and dividend income received	12,844	13,702
Proceeds from dividends of residual property	111	–
Proceeds from capital reduction of investments	40	1,326
Proceeds from transfer of mining rights	2,829	–
Other, net	(22)	42
Net cash provided by (used in) investing activities	(14,836)	(131,600)
Cash flows from financing activities		
Increase in short-term loans payable	–	206,318
Decrease in short-term loans payable	–	(178,149)
Proceeds from long-term loans payable	1,875	300
Repayments of long-term loans payable	(11,141)	(4,816)
Cash dividends paid	(2,286)	(2,571)
Cash dividends paid to minority shareholders	(177)	(377)
Interest expenses paid	(308)	(850)
Repayments of lease obligations	(568)	(556)
Proceeds from share issuance to minority shareholders	5,428	52,383
Net cash provided by (used in) financing activities	(7,177)	71,680
Effect of exchange rate change on cash and cash equivalents	596	4,884
Net increase (decrease) in cash and cash equivalents	12,836	(9,809)
Cash and cash equivalents at beginning of period	99,803	112,639
Cash and cash equivalents at end of period	112,639	102,830

4. Others

Status of production and sales

1. Production

		Fiscal year ended March 31, 2013 (April 1, 2012 – March 31, 2013)	Fiscal year ended March 31, 2014 (April 1, 2013 – March 31, 2014)
E&P	Crude oil (kl)	482,306 (5,840)	828,870 (424,040)
	Natural gas (thousand m ³)	1,080,116 (1,199)	1,104,533 (170,549)
	LNG (t)	602	12,235
	Bitumen (kl)	348,948 (348,948)	344,757 (344,757)

- Notes: 1. The figures in parentheses represent overseas production and are included in the total.
2. Part of the natural gas production volume is used as a feedstock for LNG.
3. Bitumen is a type of extra-heavy oil extracted from oil sands.

2. Sales

		Fiscal year ended March 31, 2013 (April 1, 2012 – March 31, 2013)		Fiscal year ended March 31, 2014 (April 1, 2013 – March 31, 2014)	
		Volume	Amount (Millions of yen)	Volume	Amount (Millions of yen)
E&P	Crude oil (kl)	1,335,639	78,834	1,559,888	108,408
	Natural gas (thousand m ³)	1,455,708	69,795	1,418,963	71,584
	LNG (t)	229,242	19,098	268,510	26,202
	Bitumen (kl)	349,198	9,694	342,565	10,962
Subtotal			177,423		217,157
Contract services			9,674		8,740
Other businesses	Oil products/merchandise		36,034		42,860
	Others		7,953		7,830
	Subtotal		43,988		50,691
Total			231,086		276,588

- Notes: 1. “Oil products/merchandise” includes liquefied petroleum gas (LPG), fuel oil, gas oil and kerosene, and “Others” includes the transportation of natural gas and oil products as well as other subcontracted tasks.
2. Monetary amounts in the table do not include consumption taxes.