



[Explanatory Material]

Financial Results

for the Fiscal Year Ended March 31, 2022

May 13, 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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Note: This material also serves as the presentation material for the financial results briefing for the institutional investors and analysts to be held on May 16, 2022.

I . Financial Highlights and Business Progress

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Financial Highlights

FY3/22 Results (Year-on-year)

(Billion Yen)	FY 3/21 (a)	FY 3/22 (a)	Change
Operating profit	4.1	19.8	+15.6
Ordinary profit	10.0	43.6	+33.6
Profit attributable to owners of parent (loss)	(2.7)	(30.9)	(28.2)

- **Operating profit** : Increase due to higher sales prices of crude oil and natural gas resulting from soaring crude oil prices, etc.
- **Ordinary profit** : Increase due to foreign exchange gains and increase in equity in earnings of affiliates
- **Profit attributable to owners of parent** : Net loss of 30.9 billion yen due to extraordinary losses resulting from the termination of our participation in two projects in Canada

FY3/23 Forecasts

(Billion Yen)	FY 3/22 (a)	FY 3/23 (f)	Change
Operating profit	19.8	20.9	+1.1
Ordinary profit	43.6	28.7	(14.9)
Profit attributable to owners of parent (loss)	(30.9)	25.5	+56.5

- **Operating profit** : Expect to see higher domestic natural gas sales prices and an increase in marginal gain on LNG procurement
- **Ordinary profit** : Expect decrease in income due to the absence of foreign exchange gains (in FY2022/3) and decrease in equity in earnings of affiliates, etc.
- **Profit attributable to owners of parent** : Net income of 25.5 billion yen is expected due to the absence of extraordinary losses (FY 2022/3), etc.

Dividend Policy

- **FY3/22 annual dividend (result)** : 50.0 yen per share (interim 25 yen + year-end 25 yen)
- **FY3/23 annual dividend (forecast)** : 140.0 yen per share (interim 70 yen + year-end 70 yen)

(Ex-plan) Objectives and Progress in FY2021

Management Goals

Long-term Vision 2030

Profit composition of E&P-to-non E&Ps = 6:4 in 2030

*Total of consolidated operating income (loss) and equity in earnings (loss) of affiliated companies

Mid-term Business Plan 2018-2022

ROE target of 5% or more in FY2022 * Based on Japan Crude Cocktail (JCC) of 60UDS/bbl

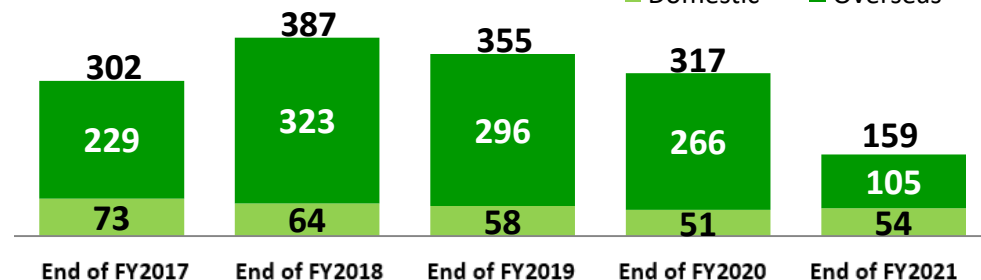
Progress in 4 years, but business environment was changed ► **Formulated JAPEX Management Plan 2022-2030 in March 2022**

Progress status of targets

Target items	FY2022 Targets	FY2021
ROE	5% or more	-
Domestic gas transaction volume	1.60 million tons	1.43
Electricity sales volume	2.8 billion kWh	3.0
Interest-bearing debt	Reduce by 100~120 billion yen	6.1
Debt-to-EBITDA ratio	Less than 2.0 times	0.1
Reserve Replacement Ratio	(Long-term target) Exceeded by 1	(0.059)

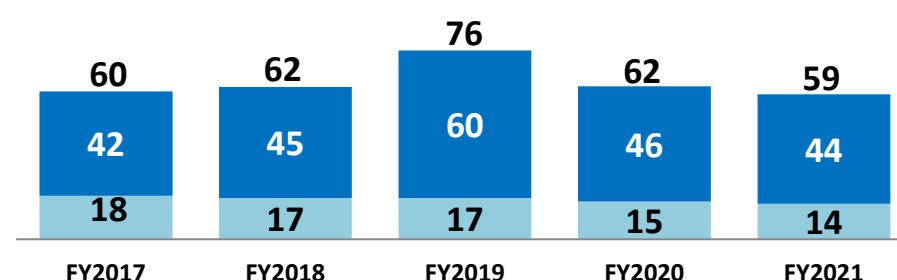
Proved reserves (MMBOE)

■ Domestic ■ Overseas



Production volume (MBOED)

■ Domestic ■ Overseas



(Ex-plan) Main Results in FY2021

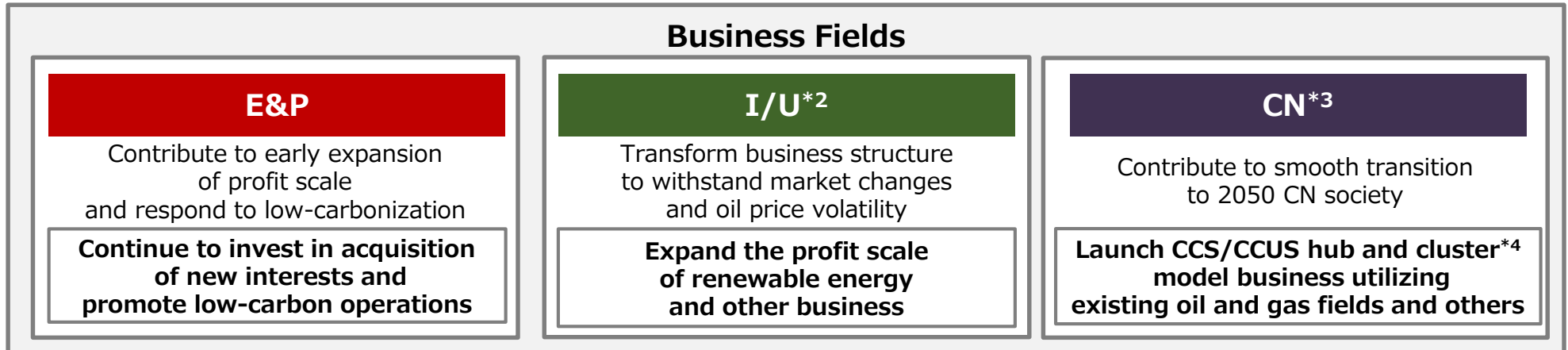
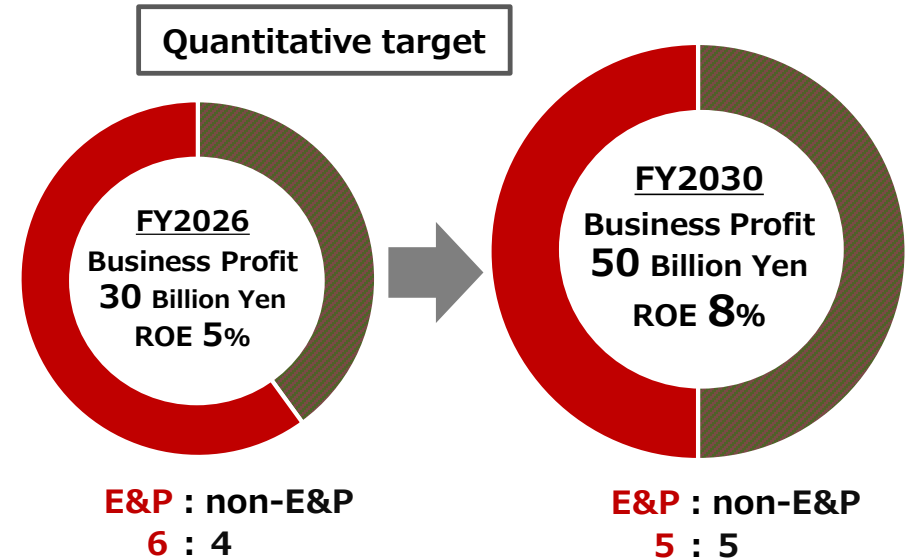
	1 st half of FY2021 (Apr. to Sep. in 2021)	2 nd half of FY2021 (Oct. 2021 to Mar. 2022)
E&P Business	<p>[Maintain and Increase Domestic Production]</p> <ul style="list-style-type: none"> Decided additional development around Katakai gas field in Apr. <p>[Optimize Overseas Business portfolio]</p> <ul style="list-style-type: none"> Complete to transfer owned interest of shale gas project in Canada in Jul. Complete to transfer owned share of a overseas subsidiary of Oil Sands Project in Canada in Sep. 	<p>[Acquire New Overseas Interests]</p> <ul style="list-style-type: none"> Acquired wellbore interests of tight oil development in the United States in Jan.
I/U Business	<p>[Domestic Gas Supply]</p> <ul style="list-style-type: none"> Signed an energy service provider contract with Boehringer Ingelheim Seiyaku Co., Ltd. in Jun. (JV with Yamagata Gas Co., Ltd.) <p>[Renewable Energy]</p> <ul style="list-style-type: none"> Decided to promote Chofu biomass power project in Sep. Participated in Abashiri 2nd and 3rd biomass power plants project in Sep. Established PHOTON sustainable PV investment limited partnership in Sep. 	<p>[Domestic Gas Supply]</p> <ul style="list-style-type: none"> Procured our first carbon-neutral LNG in Oct. <p>[LNG Supply Infrastructure in abroad]</p> <ul style="list-style-type: none"> Participated in the examination of a LNG terminal construction project in northern Vietnam in Jan. <p>[Renewable energy]</p> <ul style="list-style-type: none"> Decided to promote Ozu biomass power project in Mar. Decided to promote Tahara biomass power project in Mar.
New Business	<p>[CCS/CCUS]</p> <ul style="list-style-type: none"> Started a joint study on CO₂ utilization around Niigata in May (with MITSUBISHI GAS CHEMICAL COMPANY, INC.) Started a joint study of technical issues in next-gen energy transportation and supply infrastructure in Jun. (with JFE Engineering Corporation) Agreed to promote a joint study of CO₂-EOR* in Sukowati oil field in Indonesia using Joint Crediting Mechanism in Jun. (with Pertamina and LEMIGAS) Established Tomakomai Sector-Coupling Study Committee in Sep. as a part of the NEDO-commissioned project (promoting jointly with Deloitte Tohmatsu Consulting LLC) 	<p>[CCS/CCUS]</p> <ul style="list-style-type: none"> Agreed to promote a joint feasibility of CCS in Malaysia in Jun. (with Petronas)
ESG and Others	<p>[Environment]</p> <ul style="list-style-type: none"> Formulated JAPEX2050, including GHG emission reduction target in May <p>[Social]</p> <ul style="list-style-type: none"> Officially introduced a telecommuting system in Apr. 	<p>[Social]</p> <ul style="list-style-type: none"> Established JAPEX Diversity, Equity & Inclusion (DE&I) Policy in Dec. <p>[Governance]</p> <ul style="list-style-type: none"> Sold a portion of strategic shareholdings (INPEX shares) in Dec. Decided to buy back shares for the first time since our listing in Dec.

* Enhanced Oil Recovery

JAPEX Management Plan 2022-2030

Assumption and basic policy

- **Medium- to long-term management plan** for 9 fiscal years from FY2022 to FY2030
- **Improve profitability and build business foundation for 2030 and beyond** as basic policy
 - Set quantitative targets: **business profit*1**, **ROE**, and **business profit ratio**
 - Have **interim targets in FY2026** and **long-term targets in FY2030** on each target
- **Aim to achieve a profit level appropriate to capital costs and enhance shareholder returns** by promoting priority items in each business field
 - Allocate **500 billion yen of cash inflows** in 9 years to **450 billion yen for growth investment** and **50 billion yen for shareholder returns**



*1: Operating profit and Profit of entities accounted for using equity method and others, excluding head office administrative expenses

*2: Infrastructure & Utility, *3: CN=Carbon Neutral, *4: CCS/CCUS network that connects multiple CO2 storage sites

(New plan) Forecasts for targets and funding in FY2022

Quantitative Targets and Funds Allocation Policy in JAPEX Management Plan 2022-2030

- Set quantitative targets, both of **long-term ones aiming by FY2030** and **interim ones by FY2026**
- Allocate 500 billion yen of cash inflows in 9 years to 450 billion yen for growth investment and 50 billion yen for shareholder returns

Quantitative target

Item	Target	FY2022 forecast	(Main factors of increase/decrease)
Business profit	FY2026 30 billion Yen FY2030 50 billion Yen	25.7 billion yen	[E&P] • Started production of additional interest in Tight Oil of the U.S.A.
ROE	FY2026 5% FY2030 8%	N/A	
Profit composition (E&P : non-E&P)	FY2026 6 : 4 FY2030 5 : 5	8 : 2	

Fund Allocation

Item	Allocation assumption*	FY2022 forecast	(Main factors)
Growth investment	FY2026 275 billion Yen FY2030 450 billion Yen	38 billion yen + new	• Executing investment plans of ongoing projects • Considering candidate of new overseas E&P interests and new projects in I/U areas
Shareholder returns	FY2026 25 billion Yen FY2030 50 billion Yen	9 billion yen	• Consisting of year-end dividend of FY2021 and interim dividend of FY2022 • Executing ongoing stock buy-back

* Cumulative for 5 years from FY2022 to FY2026 and 9 years from FY2022 to FY2030

(New plan) Outlook of priority items in FY2022

E&P Profit Target: 23 bil yen in FY2026 → 27 bil yen in FY2030 / Growth Investment: 230 bil yen by FY2030

● Domestic potential pursuit

- Additional development of Katakai gas field: planned to start 1st well drilling in 1Q

● New overseas interests acquisition

- Additional tight oil interests in US: under development and planned to start production sequentially from 1Q onward
- Acquire new interest: consider about new interests mainly in North America and the North Sea

(Under consideration/ongoing projects)

- Study of low-carbon measures for domestic operations
- Ongoing overseas development projects
 - Garraf project in Iraq: additional development for expanding oil production to 230,000 barrels per day
 - Seagull project in theUK North Sea: development for initial production

I/U Profit Target: 12 bil yen in FY2026 → 27 bil yen in FY2030 / Growth Investment: 170 bil yen by FY2030

● Renewable energy development in Japan

- Commercial operation/construction of power plants under development
 - ✓ Abashiri Biomass Power Plants: planned to commence commercial operation in Aug. of 2nd and Dec. of 3rd
 - ✓ Ozu Biomass Power Plant: planned to start construction in Jun.
 - ✓ Chofu Biomass Power Plant: planned to start construction in Jun.
 - ✓ Tahara Biomass Power Plant: planned to start construction in Oct.

(Under consideration/ongoing projects)

- Overseas LNG supply infrastructure development project
 - Feasibility study of an LNG terminal construction project in northern Vietnam
 - Considering to participate in new projects of overseas LNG supply infrastructure
- Domestic renewable energy
 - Consideration for adding new projects to enter or participate in

CN Profit Target: 1 bil yen in FY2026 → 2 bil yen in FY2030 / Growth Investment: 50 bil yen by FY2030

● Feasibility study of CN in Japan

- Carbon recycling project with the sector-coupling in Tomakomai (an NEDO-commissioned project until the end of FY2022)

(Under consideration/ongoing projects)

- CCS/CCUS joint feasibility/technical study in Japan
 - Joint study of CO₂ utilization mainly in Niigata area
- CCS/CCUS joint feasibility study overseas
 - CO₂-EOR at Sukowati oil field in Indonesia with Pertamina and LEMIGAS
 - CCS in Malaysia with Petronas

Outlook of shareholders return and ESG initiatives

Shareholders return

- **Introduced consolidated dividend payout ratio as a basic policy in FY2022**
 - Pay dividends with a target ratio of 30%, in line with financial results each fiscal year
 - Strive to maintain annual dividends of 50 yen per share, even in a temporary downturn in business performance
 - Allocate a total of 50 billion yen for the 9 years to FY2030 for shareholders return as dividends
- **Ongoing share buyback for the first time since our listing**
 - Using a part of proceeds from sale of INPEX shares as the source of fund
 - Planned to repurchase the shares for the maximum of 3 million shares or 8 billion yen of the acquisition cost
 - Started the repurchase on November 10, 2021, and planned to end by November 9, 2022
 - Planned to cancel all repurchased shares on November 30, 2022

FY2022 dividends forecast

140 yen per year

29.9%

of consolidated dividend payout ratio

Status of share buyback as of April 31, 2022

1,838,900 shares

4.77 billion yen

of total value of repurchased shares

ESG initiatives

- **(E) Established the CN Business Promotion Committee**
 - A meeting body under the regulations, with the executive officers of related organization as the member
 - Promote company-wide initiatives for CN-related initiatives with a focus on the business of CO₂ underground storage and others including renewable energy
- **(G) Reflection of annual results in our climate change response to executive compensation**
 - Added the achievement ratio of a company-wide climate change response as an objective to the annual evaluation items of executive officers from FY2022

Further proceed in **ESG initiatives**
including
**enhance disclosure of our climate
change response,
human capital management,
Digital transformation (DX)**

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E&P Business (Year-on-Year)

Net sales : Million Yen		FY3/21 (a)		FY3/22 (a)		Change			
		Sales volume	Net sales	Sales volume	Net sales	Sales volume	Net sales		
E&P Business	-	-	97,482	-	73,422	-	-	(24,059)	(25%)

Breakdown

Crude oil		2,313	72,916	669	41,056	(1,643)	(71%)	(31,859)	(44%)
Crude oil - Japan	Thousand KL	287	8,835	286	15,570	(1)	(0%)	[1] +6,734	+76%
Crude oil - Overseas ^{*1}		538	18,268	357	24,105	[2] (181)	(34%)	+5,836	+32%
Purchased crude oil		1,486	45,812	25	1,381	[3] (1,461)	(98%)	(44,431)	(97%)
Diluted bitumen ^{*2}		1,319	21,695	959	31,121	[4] (360)	(27%)	+9,426	+43%
Natural Gas - Overseas ^{*3}	Million M3	470	2,870	130	1,244	[5] (340)	(72%)	(1,626)	(57%)

Main factors for change

- [1] Increase in sales price
- [2] Decrease in sales volume and increase in sales price of crude oil from Garraf Oil Field in Iraq
- [3] Decrease in sales volume of purchased crude oil from SODECO due to application of the "Accounting Standard for Revenue Recognition
- [4] Decrease in sales volume and increase in sales price of diluted bitumen from the Hangingstone Lease in Canada^{*4}
- [5] Decrease in sales volume due to the interests transfer of the shale gas project in Canada^{*5}

*1 Include the amounts of 3 overseas subsidiaries (Japex Garraf Ltd., JAPEX Montney Ltd. and Japex (U.S.) Corp.)

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

*3 Include the volume of 2 overseas subsidiaries (JAPEX Montney Ltd.,(JML) and Japex (U.S.) Corp.)

*4 Due to the sale of JACOS's shares, diluted bitumen sales are recorded for the eight months from January to August 2021.

*5 Due to the trasfer of interest, overseas crude oil and natural gas sales related to JML are recorded for the three months from January to March 2021.

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

Net sales : Million Yen		FY3/21 (a)		FY3/22 (a)		Change			
		Sales volume	Net sales	Sales volume	Net sales	Sales volume		Net sales	
Infrastructure & Utility Business	-	-	101,301	-	119,845	-	-	+18,543	+18%

Breakdown

Natural Gas - Japan	Million M3	1,183	51,291	1,061	58,024	[1]	(121)	(10%)	+6,732	+13%
- Produced in Japan		528	-	527	-	(0)	(0%)	-	-	
LNG	Thousand Ton	284	15,591	295	22,596	+11	+4%	[2]	+7,004	+45%
Electricity	Million kWh	3,016	30,087	3,023	34,320	+6	+0%	[3]	+4,233	+14%
Other*	-	-	4,331	-	4,903	-	-	+572	+13%	

Main factors for change

[1] Decrease in sales volume due to application of the "Accounting Standard for Revenue Recognition", decrease in sales volume related to the commissioning of the Fukushima Natural Gas Power Plant in the FY3/21, and increase in sales price

[2]-[3] Increase in sales price

* Including net sales from commissioned regasification of LNG

FY3/22 Results (Year-on-Year)

Million Yen	FY3/21 (a)	FY3/22 (a)	Change	
Net sales	240,078	249,140	+9,062	+4%
Gross profit	36,534	49,903	+13,368	+37%
Operating profit	4,192	19,809	+15,616	+373%
Ordinary profit	10,001	43,674	+33,672	+337%
Profit (loss) attributable to owners of parent	(2,725)	(30,988)	(28,262)	-

Oil Price, Exchange Rate and Sales Price

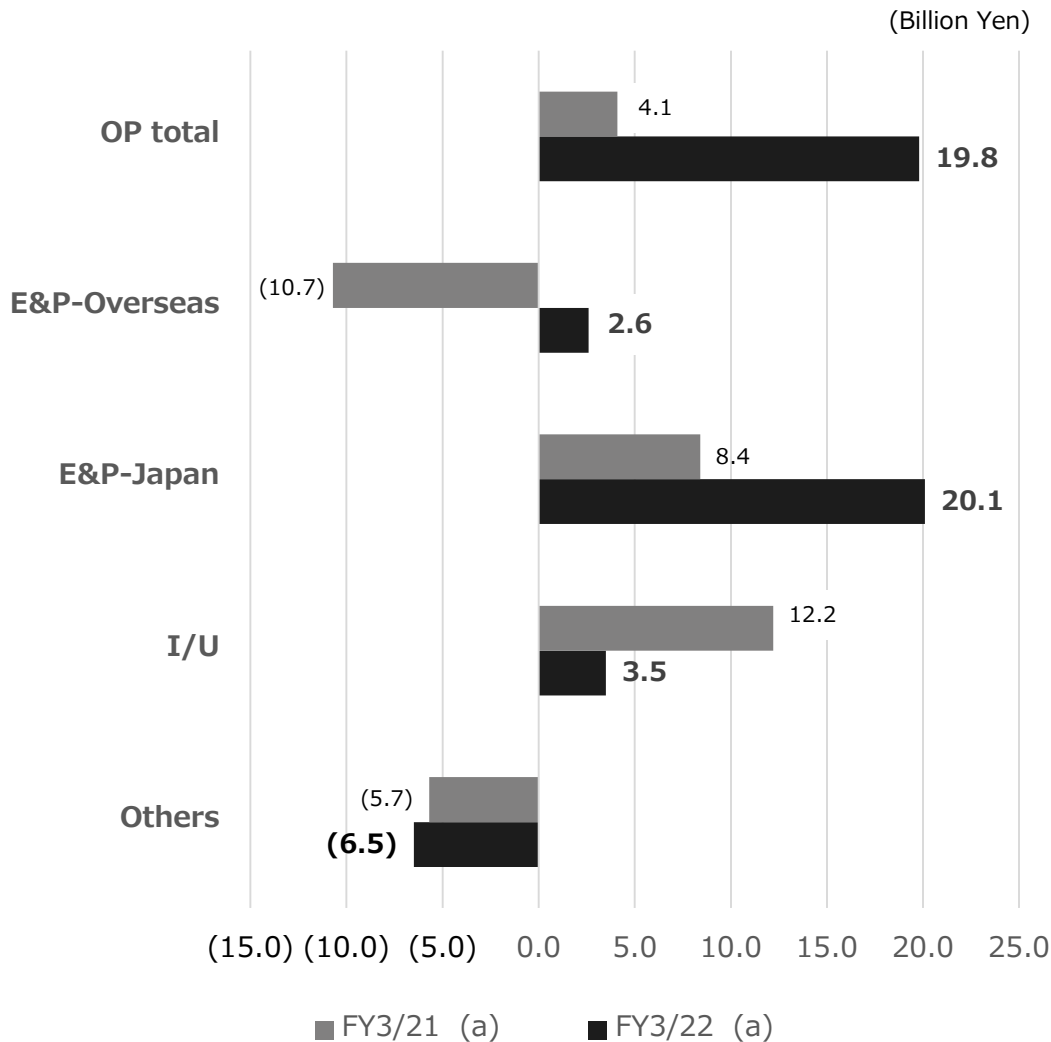
		FY3/21 (a)	FY3/22 (a)	Change
WTI* ¹	USD/bbl	40.87	64.06	+23.19
Crude oil price (CIF)	USD/bbl	42.91	73.28	+30.37
Exchange rate	JPY/USD	105.86	111.20	+5.34
JACOS Diluted bitumen* ²	USD/bbl	25.06	46.90	+21.84
JML Natural gas* ³	CAD/mcf	2.14	2.96	+0.82

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

*2 Diluted bitumen sales price of Japan Canada Oil Sands Limited (Excl. Royalty)

*3 Natural gas sales price of JAPEX Montney Ltd. (Excl. Royalty)

Operating Profit (Year-on-Year)



E&P Business

Overseas : + 13.4 bn. (10.7 bn.) → 2.6 bn.

- Improvement in diluted bitumen sales due to a rise of crude oil prices and improvement in WCS differential

Domestic : + 11.7 bn. 8.4 bn. → 20.1 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

(8.7 bn.) 12.2 bn. → 3.5 bn.

- Reversal of transient gains due to the hike in the JEPX spot market price incurred in FY3/21
- Increase in the cost due to an alternative LNG cargo procurement in the LNG spot market

Others *

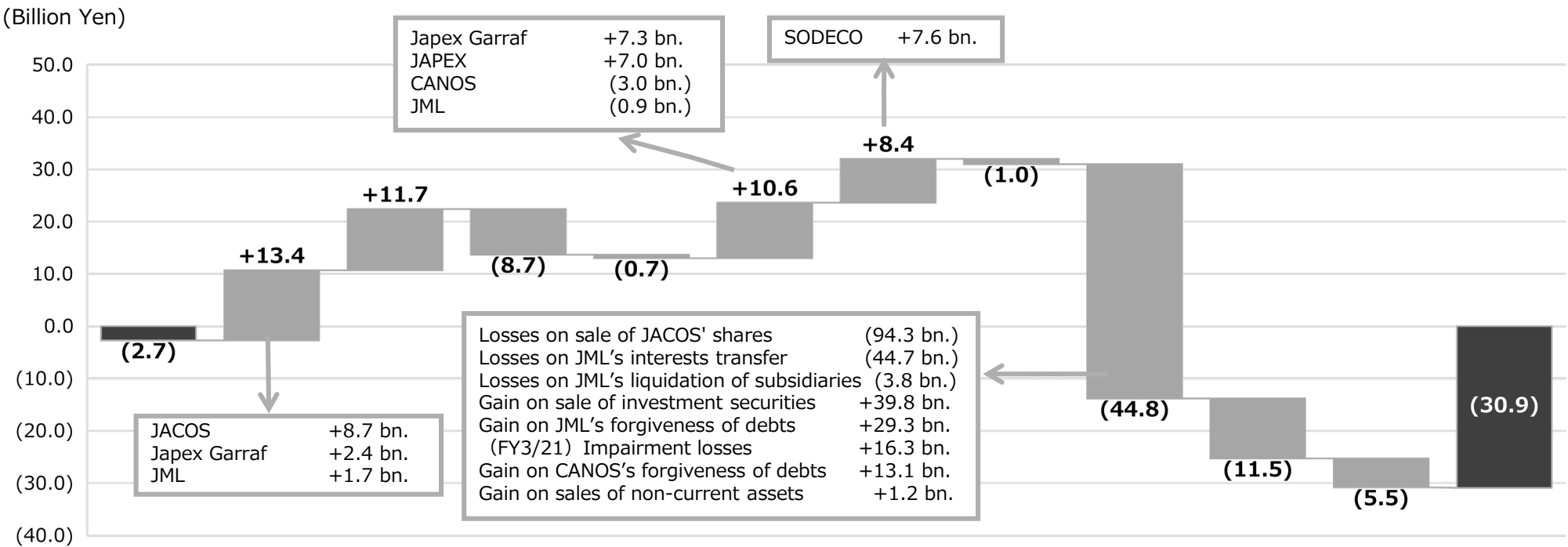
(0.7 bn.) (5.7 bn.) → (6.5 bn.)

- Decrease in profit of contract services and others

* 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)



Net income	Operating profit* +15.6 bn.				Non-operating income +18.0 bn.			Extraordinary income	Income taxes	Profit attributable to non-controlling interest	Net income FY3/22 (a)
	FY3/21 (a)	E&P overseas	E&P Japan	I/U	Others	Foreign exchange gains and loss	Equity on earnings				
FY3/21(a)	(10.7)	8.4	12.2	(5.7)	(0.6)	5.8	0.6	(17.3)	(1.9)	(2.6)	
FY3/22(a)	2.6	20.1	3.5	(6.5)	10.0	14.2	(0.3)	(62.1)	9.6	2.8	

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

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E&P Business Sales Forecasts

Net sales : Million Yen		FY3/22 (a)		FY3/23 (f)		Change			
		Sales volume	Net sales	Sales volume	Net sales	Sales volume		Net sales	
E&P Business	-	-	73,422	-	57,557	-	-	(15,865)	(22%)

Breakdown

Crude oil		669	41,056	1,195	57,376	+525	+79%	+16,319	+40%
Crude oil - Japan		286	15,570	239	11,855	[1] (47)	(17%)	(3,714)	(24%)
Crude oil - overseas^{*1}	Thousand KL	357	24,105	935	44,461	[2] +578	+162%	+20,355	+84%
Purchased crude oil		25	1,381	21	1,060	(4)	(18%)	(321)	(23%)
Diluted bitumen^{*2}		959	31,121	-	-	[3] (959)	-	(31,121)	-
Natural Gas - Overseas^{*3}	Million M3	130	1,244	15	181	[4] (114)	(88%)	(1,063)	(85%)

Main factors for change

- [1] Decrease in sales volume and sales price
- [2] Increase in sales volume of crude oil from Garraf Oil Field in Iraq, increase in sales volume and decrease in 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 (f)		Change			
		Sales volume	Net sales	Sales volume	Net sales	Sales volume		Net sales	
Infrastructure & Utility Business	-	-	119,845	-	129,922	-	-	+10,077	+8%

Breakdown

Natural Gas - Japan	Million M3	1,061	58,024	1,018	63,444	(42)	(4%)	[1]	+5,419	+9%
- Produced in Japan		527	-	488	-	(38)	(7%)		-	-
LNG	Thousand Ton	295	22,596	363	27,712	[2]	+68	+23%	+5,116	+23%
Electricity	Million kWh	3,023	34,320	2,842	33,278	[3]	(180)	(6%)	(1,042)	(3%)
Others*	-	-	4,903	-	5,487	-	-		+583	+12%

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] Decrease in sales volume of electricity

* Including net sales from commissioned regasification of LNG

FY3/23 Forecasts

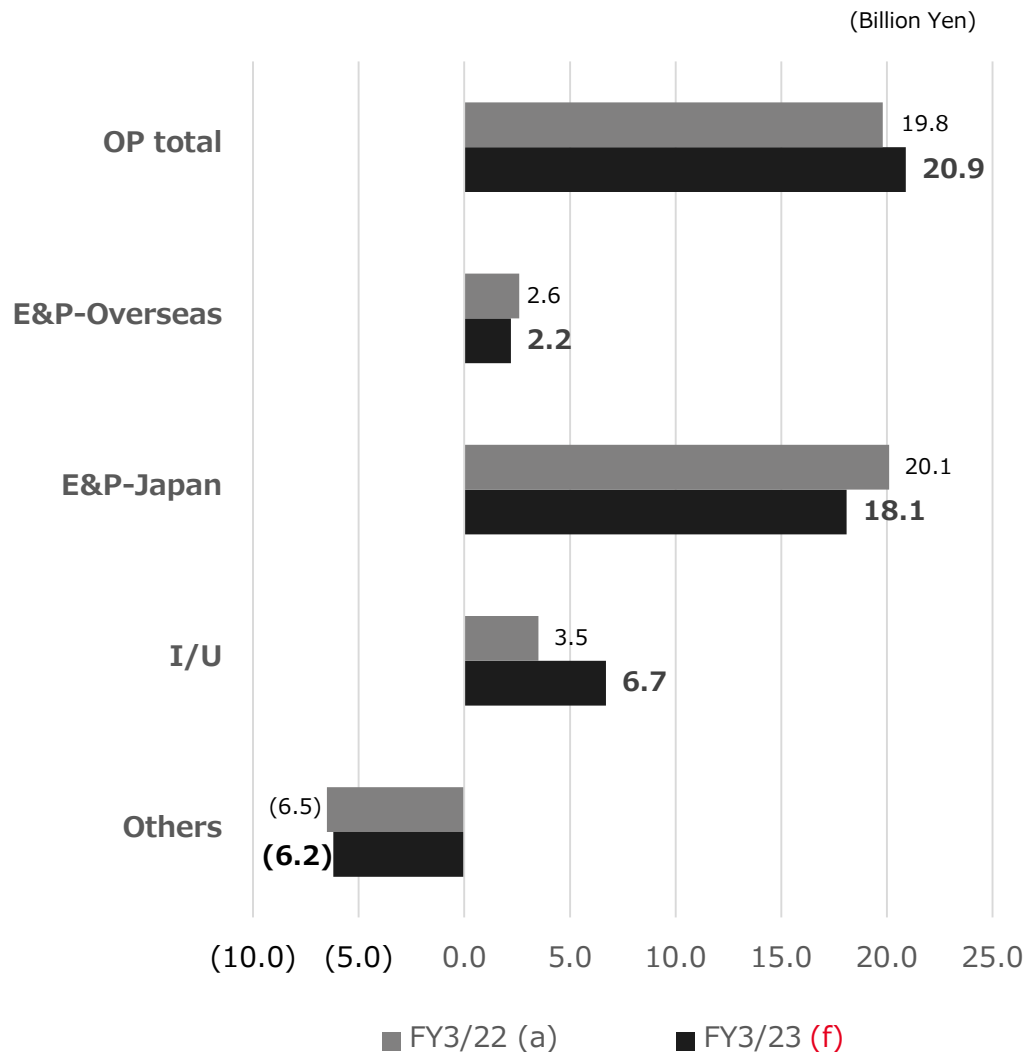
Million Yen	FY3/22 (a)	FY3/23 (f)	Change	
Net sales	249,140	244,344	(4,796)	(2%)
Gross profit	49,903	50,354	+451	+1%
Operating profit	19,809	20,916	+1,107	+6%
Ordinary profit	43,674	28,758	(14,915)	(34%)
Profit (loss) attributable to owners of parent	(30,988)	25,590	56,578	-

Oil Price and Exchange Rate

		FY3/22 (a)	FY3/23 (f)	Change
WTI*	USD/bbl	64.06	73.75	+9.69
Crude oil price (CIF)	USD/bbl	73.28	70.00	(3.28)
Exchange rate	JPY/USD	111.20	110.00	(1.20)

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

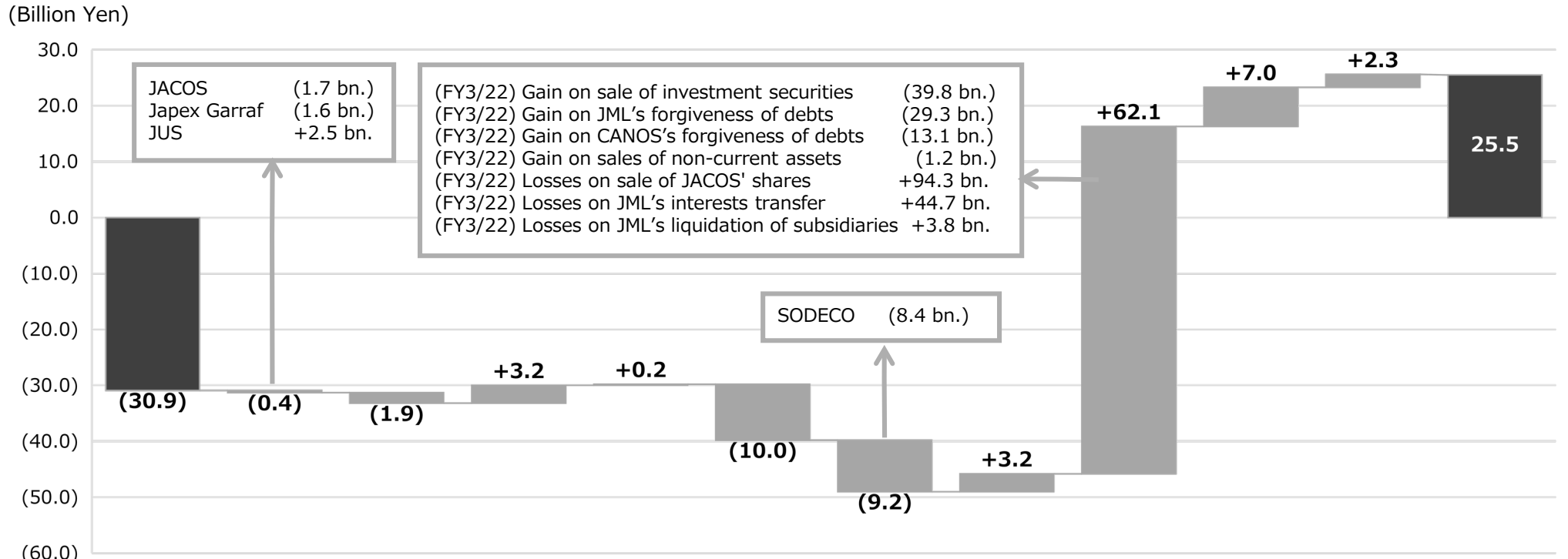
Operating Profit Forecasts



E&P Business	
Overseas : (0.4 bn.)	2.6 bn. → 2.2 bn.
• Increase in sales volume of tight oil in United States	
• Absence of sales volume of diluted bitumen	
Domestic : (1.9 bn.)	20.1 bn. → 18.1 bn.
• Decrease in sales volume in crude oil (Japan)	
• 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	
3.2 bn.	3.5 bn. → 6.7 bn.
• Increase in marginal gain on LNG procurement	
Others*	
0.2 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



Net income	Operating profit* +1.1 bn.					Non-operating income (16.0 bn.)					Net income
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FY3/22 (a)	E&P overseas	E&P Japan	I/U	Others	Foreign exchange gains and loss	Equity on earnings	Others	Extraordinary income	Income taxes	Profit attributable to non-controlling interest	FY3/23 (f)
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 (f)	2.2	18.1	6.7	(6.2)	-	4.9	2.8	(0.0)	2.5	0.5	

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

Balance sheet

Million yen	FY3/21(a)	FY3/22(a)	Change
Current assets	221,034	226,920	+5,885
Non-current assets	403,752	245,021	(158,730)
Property, plant and equipment	266,745	92,837	(173,907)
Investment securities	105,070	108,910	+3,840
Recoverable accounts	10,555	16,019	+5,464
other	21,381	27,252	+5,871
Total assets	624,786	471,941	(152,845)
Current liabilities	103,776	25,241	(78,534)
Non-current liabilities	86,517	43,929	(42,588)
Total net assets	434,492	402,770	(31,721)
Valuation difference on available-for-sale securities	44,228	48,346	+4,117
Non-controlling interests	34,320	31,131	(3,189)
Total liabilities and net assets	624,786	471,941	(152,845)

Decrease in business assets due to transfer of JACOS shares and JML interests

Decrease in long-term borrowings due to JAPEX fulfilling its guarantee obligation for JACOS and JML borrowing

Recording of loss, and decrease due to dividend payment and share repurchase

Cash Flows and Debt

Million Yen	FY3/21 (a)	FY3/22 (a)	FY3/23 (f)
	Full year	Full year	Full year
			May 13
Cash flows from operating activities	43,263	(1,052)	83,148
Depreciation	22,599	17,721	13,649
Recovery of recoverable accounts	15,196	17,780	36,363
Cash flows from investing activities	(6,453)	52,067	(58,080)
Purchase of property, plant and equipment	(15,153)	(16,278)	(33,274)
Payments of recoverable accounts	(14,971)	(23,244)	(35,933)
Cash flows from financing activities	(15,626)	(70,940)	(9,811)
Cash and cash equivalents at end of period	157,963	144,513	159,769

Interest-bearing debt* ¹	118,710	6,156	10,457
EBITDA* ²	37,150	57,391	44,022
Debt-to-EBITDA ratio	3.2	0.1	0.4

*1 Interest-bearing debt includes reimbursement obligations, 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**
- 6. Business Overview**
- 7. Integrated Report and IR Materials**
- 8. Glossary**

1. Net Sales - E&P

	Million Yen	FY3/21 (a)		FY3/22 (a)				FY3/23 (f)
		Full year	1Q	2Q	3Q	4Q	Full year	Full year
								5.13
Sales		97,482	16,796	33,024	4,739	18,862	73,422	57,557
Sales volume of Crude oil (Thousand KL)		2,313	114	230	76	248	669	1,195
Net sales		72,916	5,556	11,938	4,746	18,815	41,056	57,376
Sales volume of Crude oil - Japan (Thousand KL)		287	85	69	63	68	286	239
Net sales		8,835	3,927	3,537	3,607	4,496	15,570	11,855
Sales volume of Crude oil - overseas *1 (Thousand KL)		538	22	154	7	173	357	935
Net sales		18,268	1,312	8,045	800	13,947	24,105	44,461
Sales volume of Purchased crude oil (Thousand KL)		1,486	6	6	5	5	25	21
Net sales		45,812	316	354	338	371	1,381	1,060
Sales volume of Diluted bitumen (Thousand KL)		1,319	351	608	-	-	959	-
Net sales *2		21,695	10,058	21,063	-	-	31,121	-
Sales volume of Natural gas -overseas *3 (Million M3)		470	128	0	0	0	130	15
Net sales		2,870	1,181	22	(7)	46	1,244	181
WTI (USD/bbl)		40.87	58.10	66.07	69.85	-	64.06	73.75
Crude oil price (CIF) (USD/bbl) *4		42.91	64.25	71.31	77.30	82.70	73.28	70.00
Exchange rate (JPY/USD) *4		105.86	108.43	109.96	111.69	114.52	111.20	110.00
Diluted bitumen *2 (USD/bbl)		25.06	40.99	49.75	51.26	-	46.90	-
JML natural gas *5 (CAD/mcf)		2.14	2.96	-	-	-	2.96	-

*1 FY3/21 and 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 FY3/21 and 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	FY3/21 (a)		FY3/22 (a)				FY3/23 (f)
		Full year	1Q	2Q	3Q	4Q	Full year	Full year
								5.13
Sales		101,301	23,009	23,372	32,782	40,680	119,845	129,922
Sales volume of Natural gas – Japan (Million M3)		1,183	233	222	271	333	1,061	1,018
Net sales		51,291	10,709	10,529	14,897	21,888	58,024	63,444
Sales volume of Natural gas produced in Japan (Million M3)		528	123	109	135	158	527	488
Sales volume of LNG (Thousand ton)		284	52	44	120	78	295	363
Net sales		15,591	4,397	3,788	8,636	5,773	22,596	27,712
Sales volume of Electricity (Million kWh)		3,016	765	840	635	782	3,023	2,842
Net sales		30,087	7,163	7,834	7,658	11,664	34,320	33,278
Others*		4,331	739	1,220	1,590	1,352	4,903	5,487

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

2. Financial Results

	Million Yen	FY3/21 (a)		FY3/22 (a)				FY3/23 (f)
		Full year	1Q	2Q	3Q	4Q	Full year	Full year
								5.13
Net sales		240,078	50,083	68,424	52,856	77,776	249,140	244,344
E&P Business		97,482	16,796	33,024	4,739	18,862	73,422	57,557
Infrastructure/Utility Business		101,301	23,009	23,372	32,782	40,680	119,845	129,922
Others		41,294	10,277	12,026	15,334	18,234	55,872	56,863
Cost of sales		203,543	38,904	53,818	44,130	62,384	199,237	193,989
Gross profit		36,534	11,179	14,605	8,726	15,392	49,903	50,354
Exploration expenses		989	132	120	101	5	359	1,604
SG&A expenses		31,352	7,647	8,344	6,516	7,226	29,734	27,833
Operating profit		4,192	3,400	6,140	2,108	8,160	19,809	20,916
Non-operation income		5,809	7,091	2,718	3,075	10,980	23,864	7,842
Interest income		412	37	50	76	102	266	310
Interest expenses		(2,529)	(322)	(982)	59	58	(1,187)	(8)
Dividend income		2,823	48	2,138	68	1,794	4,049	3,022
Share of profit of entities accounted for using equity method		5,808	3,549	2,921	2,995	4,759	14,226	4,986
Provision for overseas investment		342	92	85	85	(196)	66	(10)
Foreign exchange gains and loss		(639)	3,851	89	1,158	4,902	10,002	-
Other		(408)	(165)	(1,584)	(1,368)	(440)	(3,559)	(459)
Ordinary profit		10,001	10,491	8,858	5,183	19,140	43,674	28,758
Extraordinary income		(17,324)	(1)	(138,663)	41,526	34,962	(62,175)	(67)
Profit before income taxes		(7,322)	10,489	(129,805)	46,710	54,103	(18,501)	28,691
Income taxes		(1,923)	2,832	(3,316)	11,227	(1,091)	9,652	2,599
Profit attributable to non-controlling interests		(2,673)	550	294	864	1,126	2,835	501
Profit (loss) attributable to owners of parent		(2,725)	7,106	(126,782)	34,619	54,068	(30,988)	25,590

3. Segment Profit

Million Yen		FY3/21(a)	FY3/22 (a)					FY3/23 (f)
		Full year	1Q	2Q	3Q	4Q	Full year	Full year
Japan	Operating profit	21,988	6,122	4,811	4,223	9,581	24,739	27,004
	Share of profit (loss) of entities accounted for using equity method	(319)	19	103	(73)	(97)	(47)	381
North America	Operating profit (loss)	(9,374)	(1,146)	2,883	(34)	87	1,789	2,722
	Share of profit of entities accounted for using equity method	-	-	-	-	-	-	-
Europe	Operating loss	(132)	(47)	(34)	(27)	(42)	(151)	(204)
	Share of profit of entities accounted for using equity method	-	-	-	-	-	-	-
Middle East	Operating profit	165	537	676	243	1,186	2,644	986
	Share of loss of entities accounted for using equity method	(10)	(3)	(2)	(2)	(4)	(13)	(25)
Others ^{*1}	Operating profit	-	-	-	-	-	-	-
	Share of profit of entities accounted for using equity method	6,138	3,534	2,820	3,071	4,861	14,287	4,631
Adjustments and Eliminations ^{*2}		(8,453)	(2,066)	(2,198)	(2,296)	(2,653)	(9,213)	(9,592)
Amounts on consolidated statement of income ^{*3}								
Operating profit (loss)		4,192	3,400	6,140	2,108	8,160	19,809	20,916

*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* ¹	USD/bbl	FY3/22 (a)	58.10	66.07	69.85	-	-	64.06
		FY3/23 (f)	85.00	70.00	70.00	70.00	-	73.75
Crude oil price (CIF) * ²	USD/bbl	FY3/22 (a)	-	64.25	71.31	77.30	82.70	73.28
		FY3/23 (f)	-	70.00	70.00	70.00	70.00	70.00
Exchange rate * ²	JPY/USD	FY3/22 (a)	-	108.43	109.96	111.69	114.52	111.20
		FY3/23 (f)	-	110.00	110.00	110.00	110.00	110.00

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

*2 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 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	Crude oil price (CIF) USD 70.00/bbl	Increase by 1USD/bbl	240	170	+ Sales of oil and gas (Increase in LNG procurement cost)
Exchange rate	JPY 110.00/USD	1 weaker JPY against USD	410	230	+ 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 4Q of FY3/22 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
- ✓ Acquired additional tight oil interests in the United States in Jan.
 - ✓ 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.
 - ✓ Acquired additional tight oil interests in the United States in May

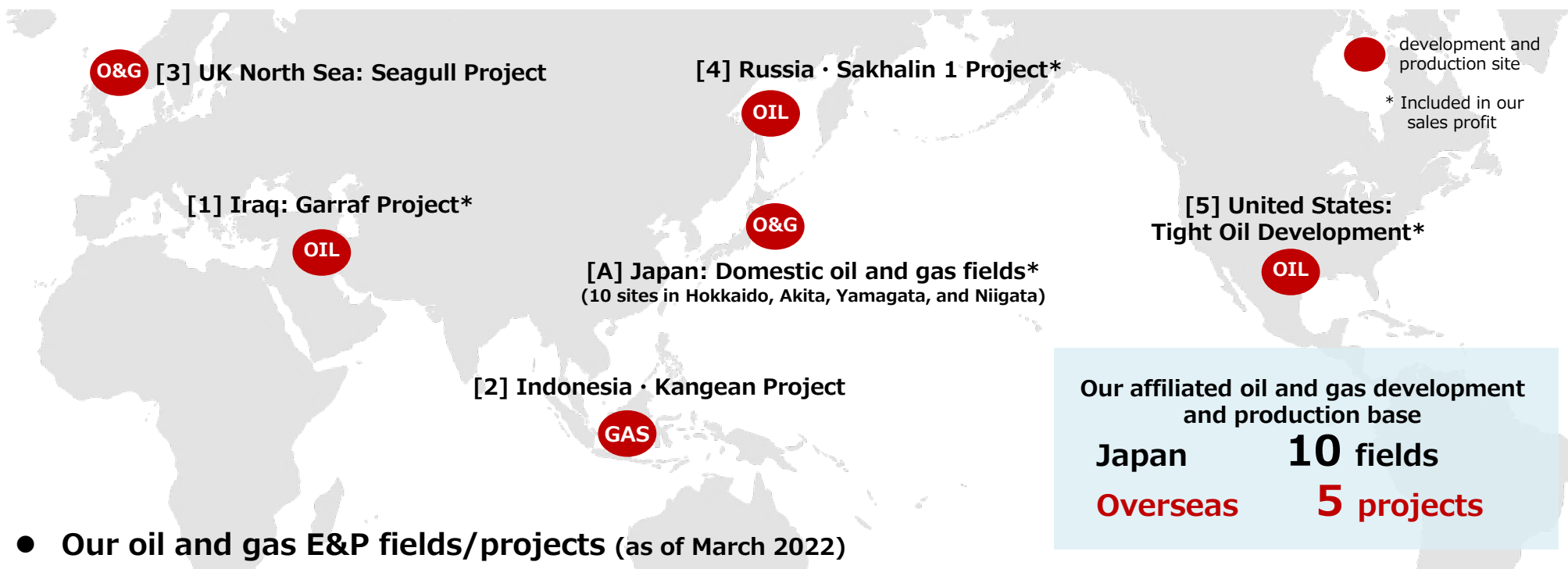
I/U Field

- Domestic gas supply: stable natural gas and LNG supply by our supply network / Expanding sales volume including for fuel conversion demands
 - 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 the growing demands for natural gas
 - Electricity: Stable electricity supply as a energy source with lower environmental impact generated by the power plants in operation / ongoing and newly considering to participate in renewable energy development projects
- ✓ Participated in considering an LNG terminal project in northern Vietnam in Jan.
 - ✓ Decisions of development: Ozu biomass power plant in Mar., and Tahara biomass power plant in Mar.
 - ✓ Participated new sponsors in Abashiri biomass power plant No.2&3 project in Mar.

CN Field

- Studying for 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 for collaboration with CCS/CCUS
 - Seeking regional and inter-industrial collaboration in combination with CCS/CCUS, such as the realization of carbon recycling
- ✓ Agreed with PETRONAS on a CCS joint study in Malaysia in Jan.
 - ✓ Established the CN Business Promotion Committee by the executives of related organization in Apr.

6. Business Overview ② E&P Field



No.	Oil and gas field/Project title (operator)	Interest (JAPEX net)	production type	Status	Gross Production volume* ¹
A	Japan: Domestic oil and gas fields (Total of 10 locations in Hokkaido, Akita, Yamagata, and Niigata)	Differ by interest	Crude oil / natural gas	Production/ Additional Development	Undisclosed
1	Iraq: Garraff Project (PETRONAS Carigali Iraq Holding B.V.)	30% (16.5%)	Crude oil	Production/ Additional Development	80,000bbl/d
2	Indonesia: Kangean Project (Kangean Energy Indonesia Ltd.)	100% (25%)	Natural gas	Production	4,560,000m ³ (28,000boed)
3	UK North Sea: Seagull Project (Neptune E&P UK Limited)	15% (15%)	Crude oil / natural gas	Development	-
4	Russia: Sakhalin 1 Project (Exxon Neftegas Ltd.* ²)	30% (4.59%)	Crude oil	Production/ Development	Undisclosed
5	North America: Tight Oil Development (Marathon Oil Corporation and several other interests)	Differ by interest	Crude oil	Production/ Development	Undisclosed

*1: Average daily production for FY2021 (Jan-Dec 2021 for overseas projects). *2: 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

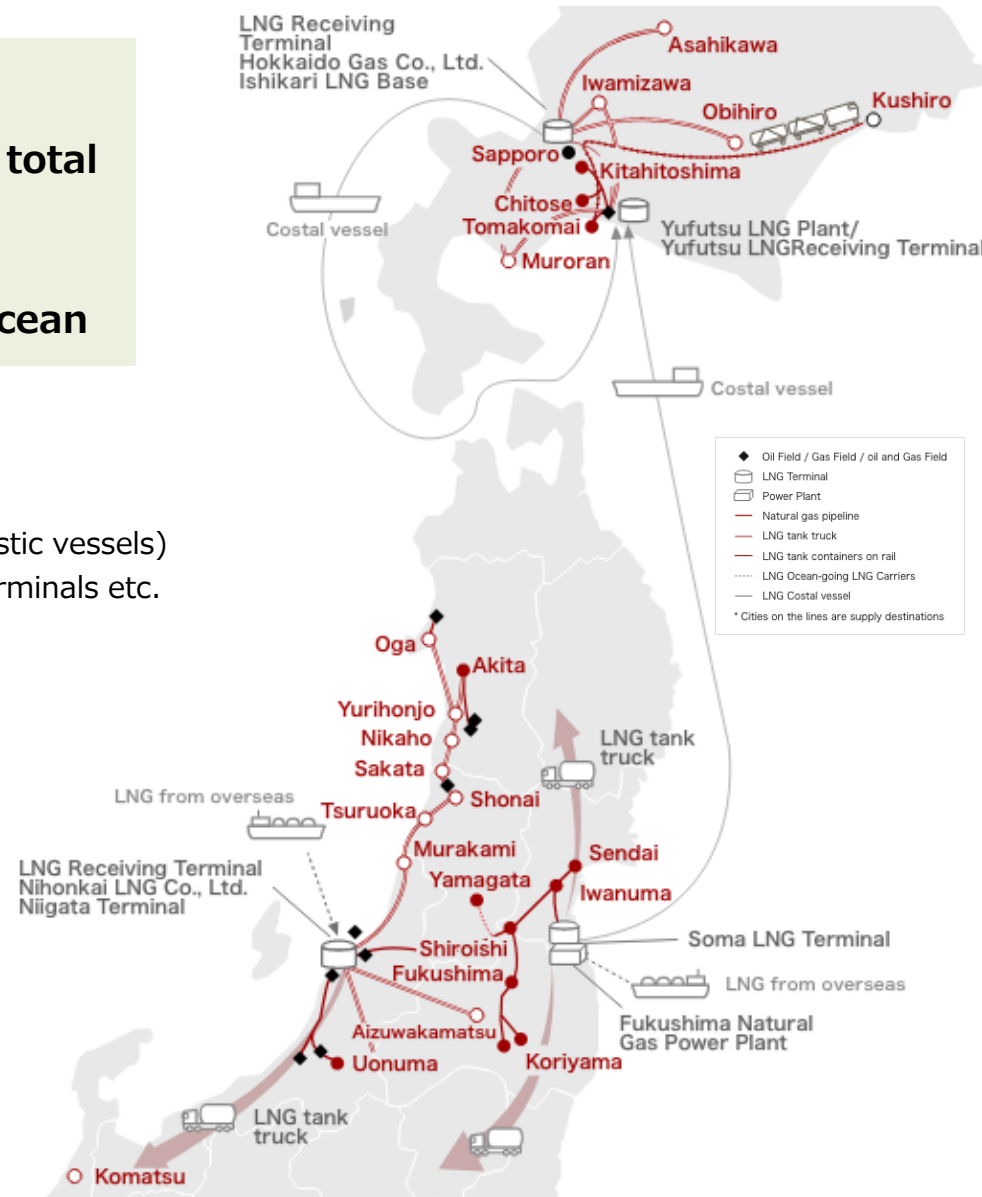
- Support fuel switching to natural gas from other fossil fuels
- Propose and provide energy services in cooperation with city gas suppliers

● 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

Total 6 sites Total output **1,339,550kW**
 (Renewable energy **5 sites** Renewable energy **159,550kW**)

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

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

PV

[3] Yufutsu Solar Power Plant **PV**



● Power plants in development and operation (as of March 2022)

No.	Power plant	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 Power Plant No.2&3	Abashiri City, Hokkaido	Biomass (wood chip)	19,800	94.3%	In development
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 pellet)	50,000	39.9%	Development Decided
5	Ozu Biomass Power Plant	Ozu City, Ehime	Biomass (wood pellet)	50,000	35%	Development Decided
6	Chofu Biomass Power Plant	Shimonoseki City, Yamaguchi	Biomass (wood pellet)	74,950	39.9%	In preparation of 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

BIO

[5] Ozu Biomass Power Plant

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 March 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

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 including a survey of suitable sites and technical studies with a view to implementing CO₂ underground storage with PETRONAS

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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