



[Explanatory Material]

# Financial Results

for the Nine Months Ended December 31, 2023

February 9, 2024

**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.

# Contents

---

**I . Financial Highlights**

**II . Financial Results for the Nine Months Ended December 31, 2023**

**III . Revised Financial Forecasts for the fiscal year ending March 31, 2024**

Note: This material also serves as the presentation material for the financial results briefing for the institutional investors and analysts to be held on February 13, 2024.

---

## **I . Financial Highlights**

**II . Financial Results for the Nine Months Ended December 31, 2023**

**III . Revised Financial Forecasts for the fiscal year ending March 31, 2024**

# Financial Highlights

## 1-3Q FY3/24 Results (Year-on-Year)

(Billion Yen)	1-3Q FY3/23 (a)	1-3Q FY3/24 (a)	Change
Operating profit	38.7	<b>39.8</b>	+1.1
Ordinary profit	57.8	<b>48.1</b>	(9.7)
Profit attributable to owners of parent	43.2	<b>36.5</b>	(6.7)

- **Operating profit** : Increased due to growth of sales volume for U.S. tight oil development
- **Ordinary profit** : Decreased due to decline in equity method profit and foreign exchange gains

## FY3/24 Forecasts Revision (vs Nov.10 Forecasts)

(Billion Yen)	Previous (f) Nov. 10, 2023	Revised (f) Feb. 9,2024	Change
Operating profit	48.8	<b>50.7</b>	+1.9
Ordinary profit	57.0	<b>59.1</b>	+2.1
Profit attributable to owners of parent	45.0	<b>45.0</b>	-

- **Operating profit** : Increased mainly due to start of sales from the Seagull project in U.K. North Sea
- **Profit attributable to owners of parent** : Increased tax expense in the U.K.

## Shareholder Returns

- **FY3/24 annual dividend (forecast)** : 250 yen per share (interim 125 yen + year-end forecast 125 yen), unchanged from the previous forecast ※Based on shareholder return policy of 30% dividend payout ratio

## Major Business Progress

- Signed a Key Principles Agreement with PETRONAS for the maturation and development of the CCS Project in Malaysia (Nov)
- Agreed on Joint Study with Nippon Gas Line on domestic marine transportation of liquefied CO<sub>2</sub> and port developments (Nov)
- Commenced CO<sub>2</sub> injection field test at Sukowati oil field in Indonesia (Dec)
- Acquired additional well interests in tight oil development project in U.S. (Dec)
- Commenced Joint Study to establish ammonia supply base in Soma area, Fukushima Prefecture (Jan)

---

**I . Financial Highlights**

**II . Financial Results for the Nine Months Ended December 31, 2023**

**III . Revised Financial Forecasts for the fiscal year ending March 31, 2024**

## 1-3Q FY3/24 Results (Year-on-Year)

Million Yen	1-3Q FY3/23 (a)	1-3Q FY3/24 (a)	Change	
Net sales	225,105	<b>229,938</b>	+4,833	+2%
Gross profit	63,888	<b>62,745</b>	(1,143)	(2%)
Operating profit	38,742	<b>39,868</b>	+1,125	+3%
Ordinary profit	57,878	<b>48,162</b>	(9,716)	(17%)
Profit attributable to owners of parent	43,286	<b>36,515</b>	(6,771)	(16%)

### Oil Price and Exchange Rate

		1-3Q FY3/23 (a)	1-3Q FY3/24 (a)	Change
WTI	USD/bbl	98.27	<b>77.46</b>	(20.81)
Crude oil price (CIF)	USD/bbl	106.81	<b>86.26</b>	(20.55)
Exchange rate	JPY/USD	132.69	<b>141.98</b>	+9.29

## E&P Business Sales (Year-on-Year)

Net sales : Million Yen	Unit	1-3Q FY3/23 (a)		1-3Q FY3/24 (a)		Change			
		Sales volume	Net sales	Sales volume	Net sales	Sales volume		Net sales	
E&P Business	-	-	35,902	-	<b>72,841</b>	-	-	+36,938	+103%

### Breakdown

Crude oil	Thousand KL	402	35,672	<b>1,000</b>	<b>72,350</b>	+597	+148%	+36,678	+103%
Crude oil - Japan		173	15,964	<b>161</b>	<b>12,778</b>	[1] (11)	(7%)	(3,186)	(20%)
Crude oil - Overseas <sup>*1</sup>		213	18,283	<b>823</b>	<b>58,369</b>	[2] +609	+285%	+40,085	+219%
Purchased crude oil		15	1,424	<b>15</b>	<b>1,203</b>	(0)	(1%)	(221)	(16%)
Natural Gas - Overseas <sup>*2</sup>	Million M3	5	230	<b>42</b>	<b>490</b>	+37	+712%	+260	+113%

### Main factors for change

[1] Decrease in sales volume and sales price

[2] Increase in sales volume of Iraq Garraf project and U.S. tight oil development

\*1 Amounts of overseas consolidated subsidiaries, Japex Garraf Ltd., and Japex (U.S.) Corp.

\*2 Amounts of overseas consolidated subsidiary, Japex (U.S.) Corp.

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

Net sales : Million Yen	Unit	1-3Q FY3/23 (a)		1-3Q FY3/24 (a)		Change			
		Sales volume	Net sales	Sales volume	Net sales	Sales volume		Net sales	
Infrastructure & Utility Business	-	-	141,748	-	<b>110,714</b>	-	-	(31,034)	(22%)

### Breakdown

Natural Gas - Japan	Million M3	692	62,625	<b>646</b>	<b>55,741</b>	<b>[1]</b>	(45)	(7%)	(6,884)	(11%)
- Produced in Japan		324	-	<b>305</b>	-		(19)	(6%)	-	-
LNG	Thousand Ton	213	34,877	<b>99</b>	<b>10,193</b>	<b>[2]</b>	(113)	(53%)	(24,683)	(71%)
Electricity	Million kWh	2,146	40,843	<b>2,641</b>	<b>40,059</b>		+495	+23%	(784)	(2%)
Other*	-	-	3,400	-	<b>4,719</b>		-	-	+1,318	+39%

### Main factors for change

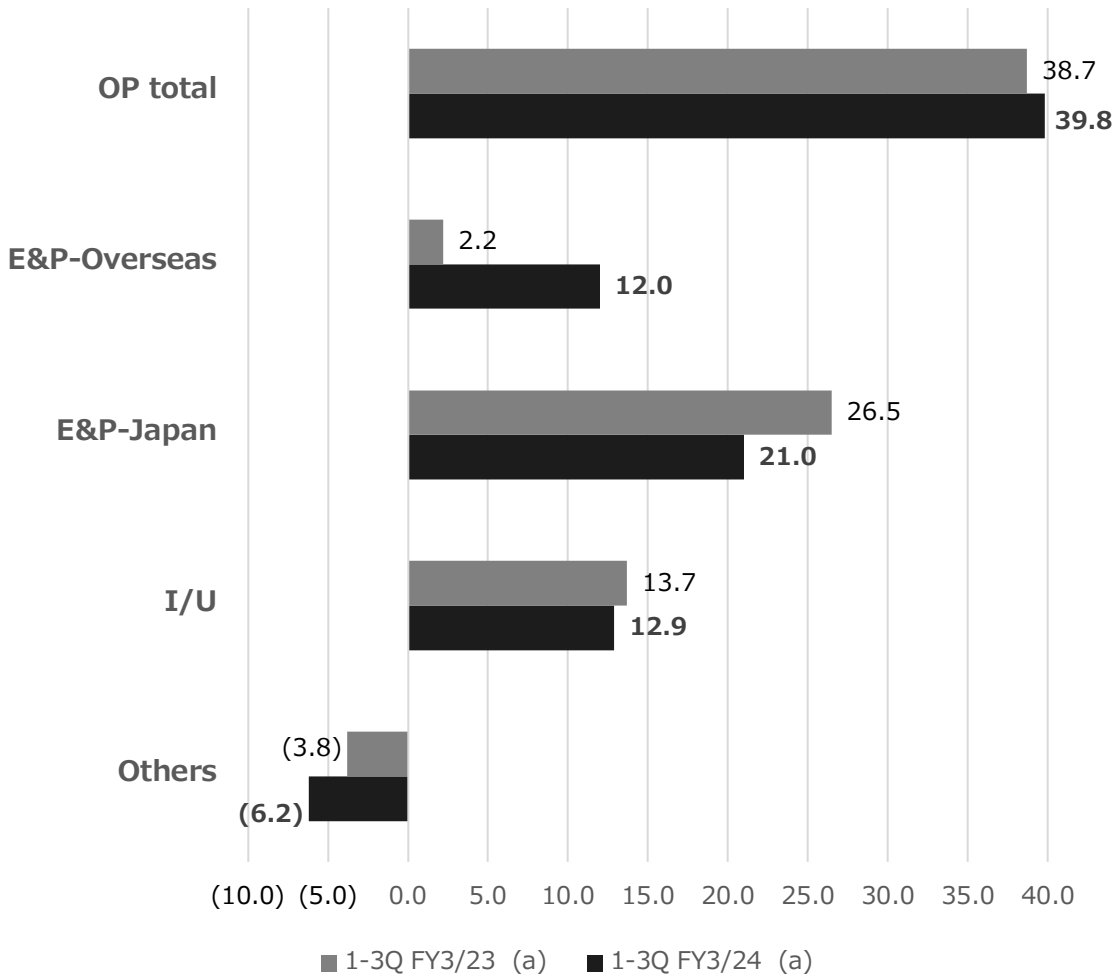
[1]-[2] Decrease in sales volume and sales price

\* Including net sales from commissioned transportation of natural gas and commissioned regasification of LNG



# Operating Profit (Year-on-Year)

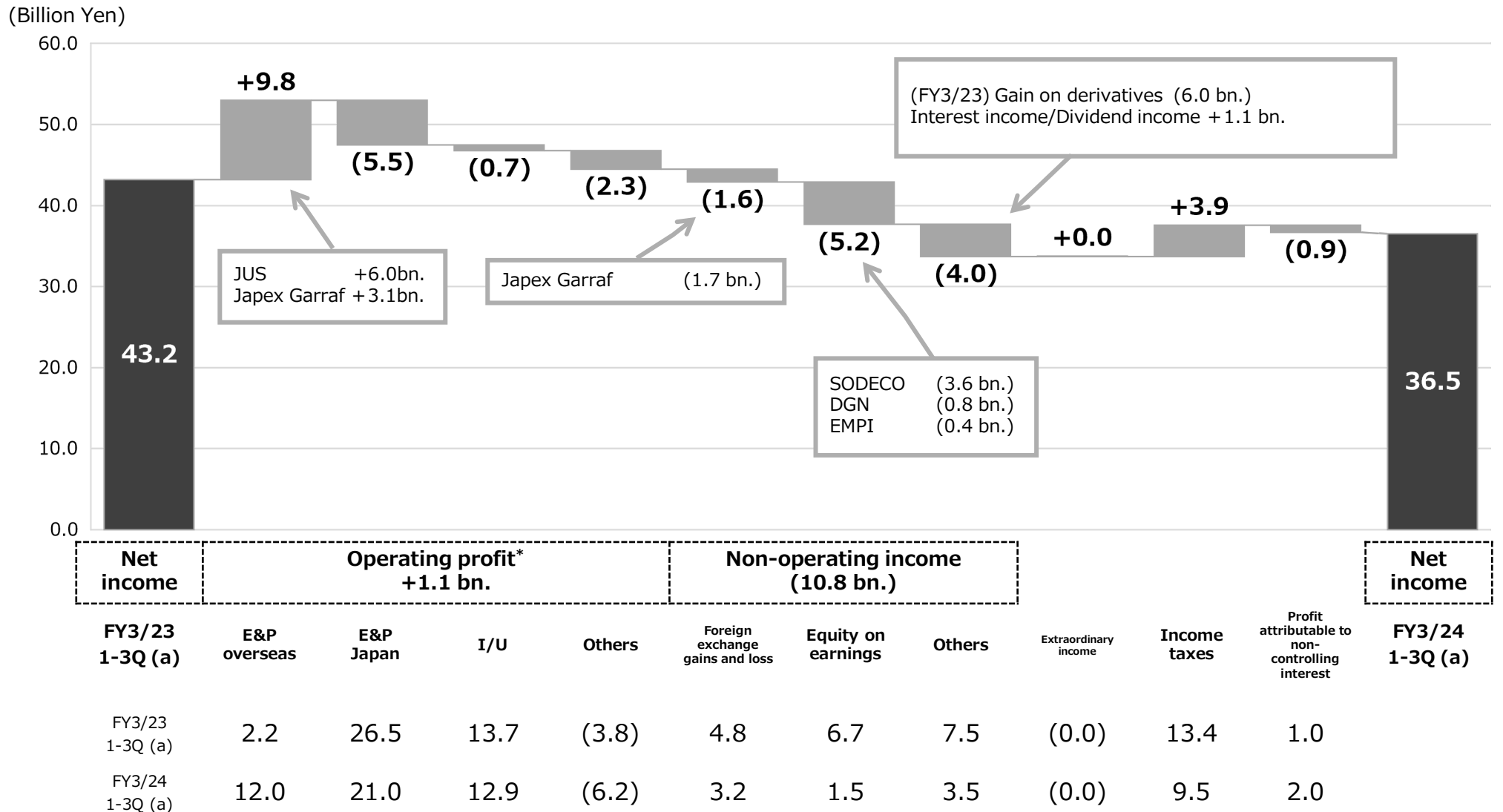
(Billion Yen)



E&P Business	
<b>Overseas : +9.8 bn.</b>	<b>2.2 bn. → 12.0 bn.</b>
<ul style="list-style-type: none"> <li>• Increase in sales volume of tight oil development in U.S. (+)</li> <li>• Foreign exchange gap related to cost recovery and decrease in operating expenses, etc., for the Iraqi Garraf project (+)</li> </ul>	
<b>Japan : (5.5 bn.)</b>	<b>26.5 bn. → 21.0 bn.</b>
<ul style="list-style-type: none"> <li>• Decrease in sales volume and sales price of crude oil (-)</li> <li>• Decrease in sales volume and sales price* of natural gas (-)</li> </ul>	
* Internal transaction price from E&P Business to I/U Business for the internal management	
I/U Business	
<b>(0.7 bn.)</b>	<b>13.7 bn. → 12.9 bn.</b>
<ul style="list-style-type: none"> <li>• Decrease in marginal gain on LNG procurement (-)</li> <li>• Raw material slide time lag (+)</li> </ul>	
Others *	
<b>(2.3 bn.)</b>	<b>(3.8 bn.) → (6.2 bn.)</b>
<ul style="list-style-type: none"> <li>• Increase in general and administrative expenses (-)</li> <li>• Decrease in profit of contract services at subsidiaries (-)</li> </ul>	
* Operating profit not belonging to the above business units (contracting, oil products and commodities, and others) less headquarters administrative expenses	

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

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



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

---

**I . Financial Highlights**

**II . Financial Results for the Nine Months Ended December 31, 2023**

**III . Revised Financial Forecasts for the fiscal year ending March 31, 2024**

## FY3/24 Forecasts (vs Nov. 10 Forecasts)

Million Yen	Previous (f) Nov. 10, 2023	Revised (f) Feb. 9, 2024	Change	
Net sales	325,400	<b>330,700</b>	+5,300	+2%
Gross profit	83,800	<b>84,200</b>	+400	+0%
Operating profit	48,800	<b>50,700</b>	+1,900	+4%
Ordinary profit	57,000	<b>59,100</b>	+2,100	+4%
Profit attributable to owners of parent	45,000	<b>45,000</b>	-	-

### Oil Price and Exchange Rate

		Previous (f) Nov. 10, 2023	Revised (f) Feb. 9, 2024	Change
WTI	USD/bbl	77.46	<b>75.60</b>	(1.86)
Crude oil price (CIF)	USD/bbl	84.35	<b>84.74</b>	+0.39
Exchange rate	JPY/USD	139.51	<b>141.42</b>	+1.91

## E&P Business Sales Forecasts (vs Nov. 10 Forecasts)

Net sales : Million Yen	Unit	Previous (f) Nov. 10, 2023		Revised (f) Feb. 9, 2024		Change			
		Sales volume	Net sales	Sales volume	Net sales	Sales volume		Net sales	
<b>E&amp;P Business</b>	-	-	94,172	-	<b>97,267</b>	-	-	+3,094	+3%

### Breakdown

<b>Crude oil</b>	Thousand KL	1,331	93,411	<b>1,393</b>	<b>96,218</b>	+61	+5%	+2,806	+3%	
Crude oil - Japan		219	16,479	<b>230</b>	<b>17,397</b>	[1]	+11	+5%	+917	+6%
Crude oil - overseas* <sup>1</sup>		1,092	75,445	<b>1,142</b>	<b>77,260</b>	[2]	+49	+5%	+1,815	+2%
Purchased crude oil		19	1,487	<b>20</b>	<b>1,560</b>	+0	+3%	+73	+5%	
<b>Natural Gas - Overseas*<sup>2</sup></b>	Million M3	60	761	<b>66</b>	<b>1,049</b>	+6	+11%	+287	+38%	

### Main factors for change

[1] Increase in sales volume

[2] Sales begin from the Seagull project in U.K. North Sea/Increase in sales volume of U.S. tight oil development

\*1 Amounts of overseas consolidated subsidiaries, Japex Garraf Ltd., Japex (U.S.) Corp. and JAPEX UK E&P Ltd.

\*2 Amounts of overseas consolidated subsidiaries, Japex (U.S.) Corp. and JAPEX UK E&P Ltd.

## I/U Business Sales Forecasts (vs Nov. 10 Forecasts)

Net sales : Million Yen	Unit	Previous (f) Nov. 10, 2023		Revised (f) Feb. 9, 2024		Change			
		Sales volume	Net sales	Sales volume	Net sales	Sales volume		Net sales	
Infrastructure & Utility Business	-	-	168,005	-	<b>169,996</b>	-	-	+1,991	+1%

### Breakdown

Natural Gas - Japan	Million M3	961	80,950	<b>955</b>	<b>80,997</b>	(5)	(1%)	+47	+0%	
- Produced in Japan		448	-	<b>445</b>	-	(3)	(1%)	-	-	
LNG	Thousand Ton	279	28,617	<b>279</b>	<b>28,578</b>	+0	(0%)	(39)	(0%)	
Electricity	Million kWh	3,468	52,160	<b>3,520</b>	<b>53,338</b>	[1]	+52	+2%	+1,178	+2%
Others*	-	-	6,277	-	<b>7,081</b>	-	-	+804	+13%	

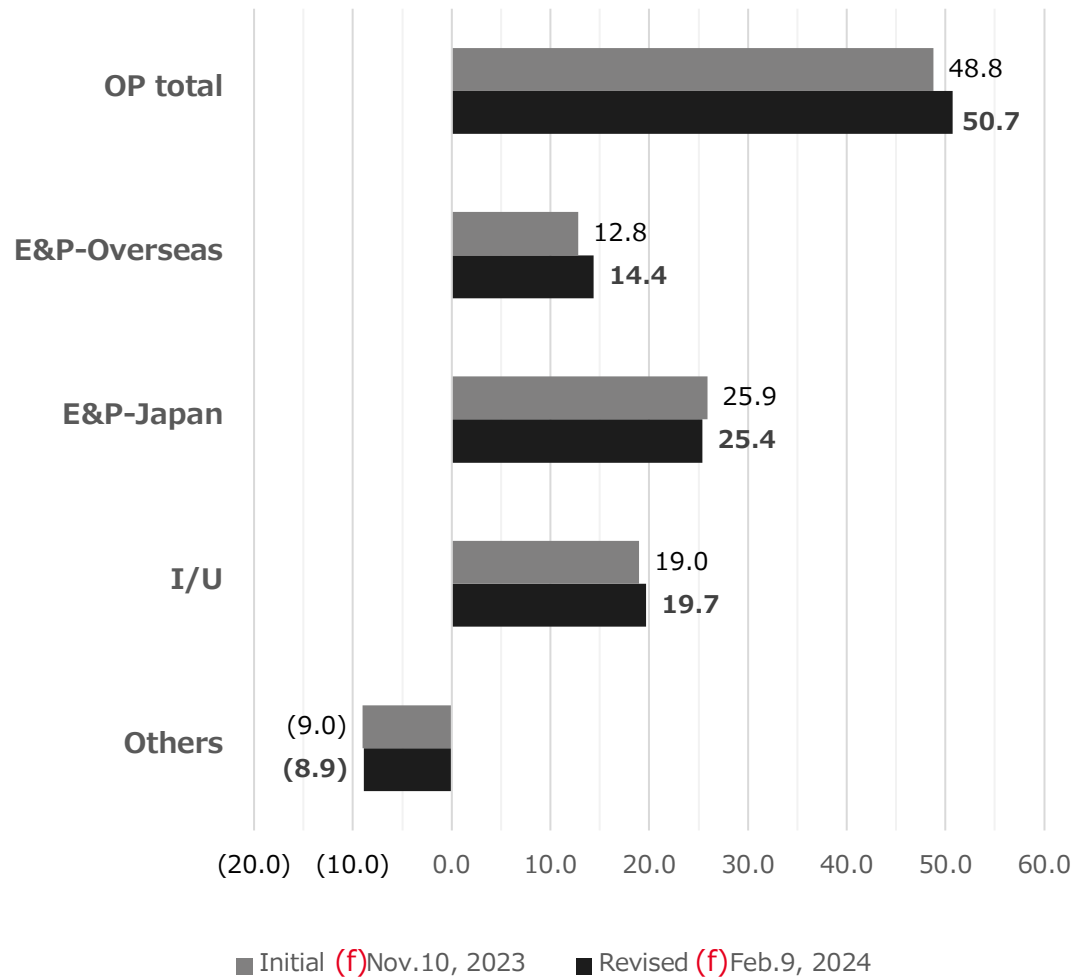
### Main factors for change

[1] Increase in sales volume and sales price

\* Including net sales from commissioned transportation of natural gas and commissioned regasification of LNG

# Operating Profit Forecasts (vs Nov. 10 Forecasts)

(Billion Yen)



E&P Business	
<b>Overseas : +1.6 bn.</b>	<b>12.8 bn. → 14.4 bn.</b>
• Sales begin from the Seagull project in U.K. North Sea (+)	
• Increased production remuneration for the Iraqi Garraf project (+)	
<b>Japan : (0.4 bn.)</b>	<b>25.9 bn. → 25.4 bn.</b>
• Increase in operating costs (-)	
• Increase in sales volume of crude oil (+)	

- Internal transaction price from E&P Business to I/U Business for the internal management

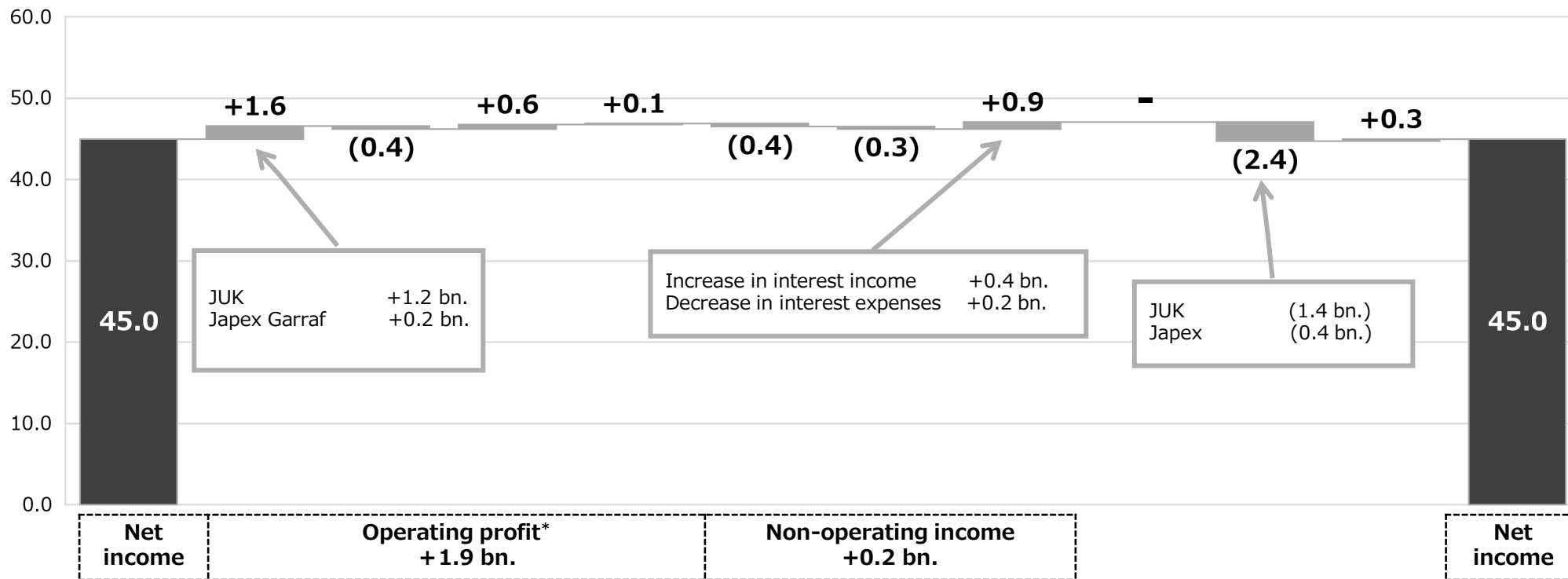
I/U Business	
<b>+0.6 bn.</b>	<b>19.0 bn. → 19.7 bn.</b>
• Increase in marginal gain on LNG procurement (+)	

Others*	
<b>+0.1 bn.</b>	<b>(9.0 bn.) → (8.9 bn.)</b>
* Operating profit not belonging to the above business units (contracting, oil products and commodities, and others) less headquarters administrative expenses	

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

# Analysis of Change in Net Income Forecasts (vs Nov. 10 Forecasts)

(Billion Yen)



FY3/24 (f) Nov.10	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	FY3/24 (f) Feb.9
FY3/24 (f) Nov. 10	12.8	25.9	19.0	(9.0)	3.0	0.9	4.3	(0.1)	9.6	2.3	
FY3/24 (f) Feb. 9	14.4	25.4	19.7	(8.9)	2.6	0.6	5.2	(0.1)	12.0	2.0	

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



## FY3/24 Forecasts (Year-on-Year)

Million Yen	FY3/23 (a)	FY3/24 Revised (f)	Change	
Net sales	336,492	<b>330,700</b>	(5,792)	(2%)
Gross profit	96,111	<b>84,200</b>	(11,911)	(12%)
Operating profit	62,085	<b>50,700</b>	(11,385)	(18%)
Ordinary profit	83,130	<b>59,100</b>	(24,030)	(29%)
Profit attributable to owners of parent	67,394	<b>45,000</b>	(22,394)	(33%)

### Oil Price and Exchange Rate

		FY3/23 (a)	FY3/24 Revised (f)	Change
WTI	USD/bbl	94.42	<b>75.60</b>	(18.82)
Crude oil price (CIF)	USD/bbl	102.26	<b>84.74</b>	(17.52)
Exchange rate	JPY/USD	132.86	<b>141.42</b>	+8.56

## E&P Business Sales Forecasts (Year-on-Year)

Net sales : Million Yen	Unit	FY3/23 (a)		FY3/24 Revised (f)		Change			
		Sales volume	Net sales	Sales volume	Net sales	Sales volume		Net sales	
E&P Business	-	-	56,063	-	97,267	-	-	+41,204	+73%

### Breakdown

Crude oil	Thousand KL	695	55,703	1,393	96,218	+697	+100%	+40,515	+73%
Crude oil - Japan		238	20,760	230	17,397	(7)	(3%)	[1] (3,363)	(16%)
Crude oil - overseas* <sup>1</sup>		436	33,084	1,142	77,260	[2] +706	+162%	+44,176	+134%
Purchased crude oil		20	1,858	20	1,560	(0)	(4%)	(297)	(16%)
Natural Gas - Overseas* <sup>2</sup>	Million M3	11	360	66	1,049	+55	+480%	+688	+191%

### Main factors for change

[1] Decrease in sales price

[2] Increase in sales volume of Garraf Project in Iraq and tight oil development in U.S.

\*1 Amounts of overseas consolidated subsidiaries, Japex Garraf Ltd. and Japex (U.S.) Corp. for FY3/23, and Japex Garraf Ltd., Japex (U.S.) Corp. and JAPEX UK E&P Ltd. for FY3/24.

\*2 Amounts of overseas consolidated subsidiaries, Japex (U.S.) Corp. for FY3/23, and Japex (U.S.) Corp. and JAPEX UK E&P Ltd. for FY3/24.

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

Net sales : Million Yen	Unit	FY3/23 (a)		FY3/24 Revised (f)		Change			
		Sales volume	Net sales	Sales volume	Net sales	Sales volume	Net sales		
Infrastructure & Utility Business	-	-	213,657	-	<b>169,996</b>	-	-	(43,661)	(20%)

## Breakdown

Natural Gas - Japan	Million M3	989	97,360	<b>955</b>	<b>80,997</b>	(33)	(3%)	<b>[1]</b>	(16,363)	(17%)
- Produced in Japan		461	-	<b>445</b>	-	(15)	(3%)		-	-
LNG	Thousand Ton	340	51,572	<b>279</b>	<b>28,578</b>	<b>[2]</b>	(61)	(18%)	(22,994)	(45%)
Electricity	Million kWh	3,005	58,735	<b>3,520</b>	<b>53,338</b>	+514	+17%	<b>[3]</b>	(5,396)	(9%)
Others*	-	-	5,988	-	<b>7,081</b>	-	-		+1,093	+18%

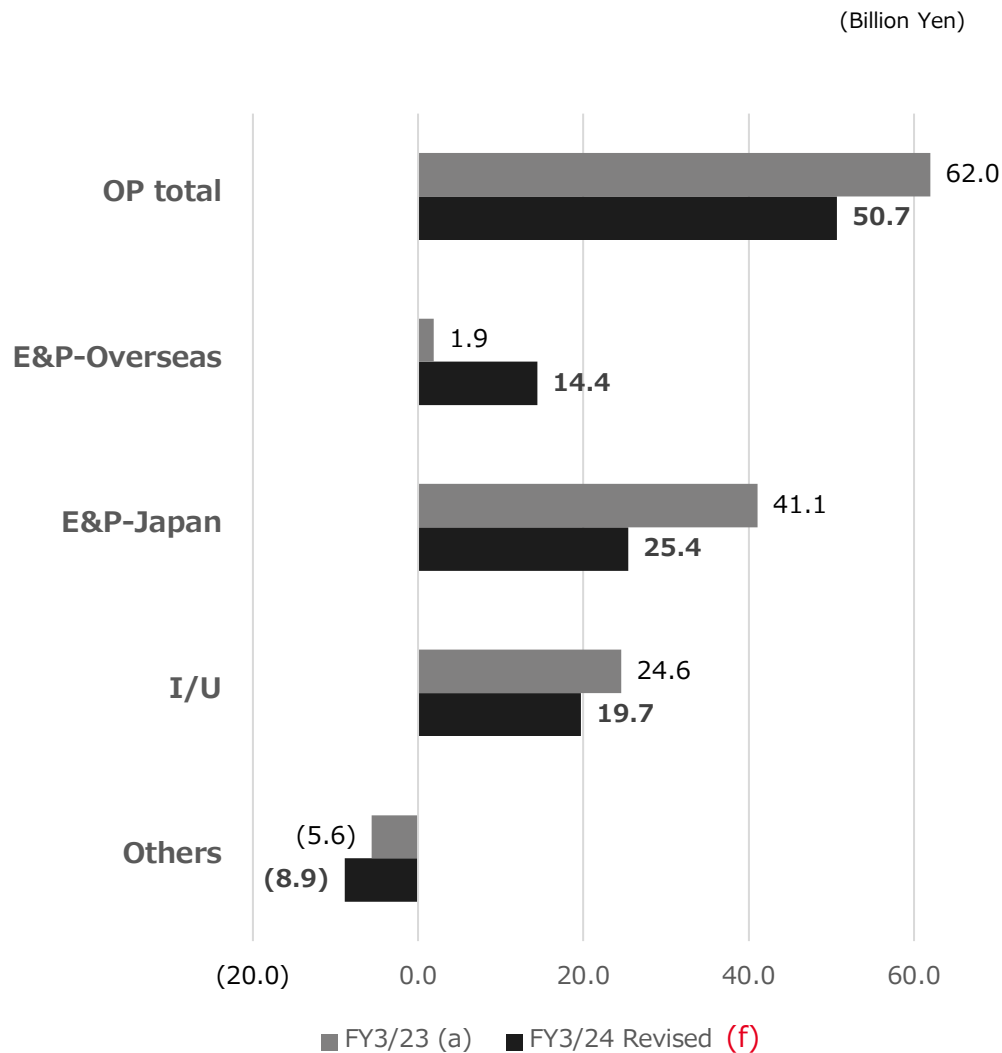
## Main factors for change

[1]-[2] Decrease in sales price of natural gas and LNG, decrease in sales volume of LNG

[3] Decrease in sales price

\* Including net sales from commissioned transportation of natural gas and commissioned regasification of LNG

# Operating Profit Forecasts (Year-on-Year)



## E&P Business

**Overseas : +12.5 bn. 1.9 bn. → 14.4 bn.**

- Increase in sales volume of tight oil development in U.S. (+)
- Absence of one-time expenses, etc., of Japex Garraf Ltd. (+)

**Japan: (15.7 bn.) 41.1 bn. → 25.4 bn.**

- Decrease in sales volume and sales price of crude oil (–)
- Decrease in sales volume and sales price\* of natural gas (–)

\*Internal transaction price from E&P Business to I/U Business for the internal management

## I/U Business

**(4.8 bn.) 24.6 bn. → 19.7 bn.**

- Decrease in marginal gain on LNG procurement (–)

## Others\*

**(3.2 bn.) (5.6 bn.) → (8.9 bn.)**

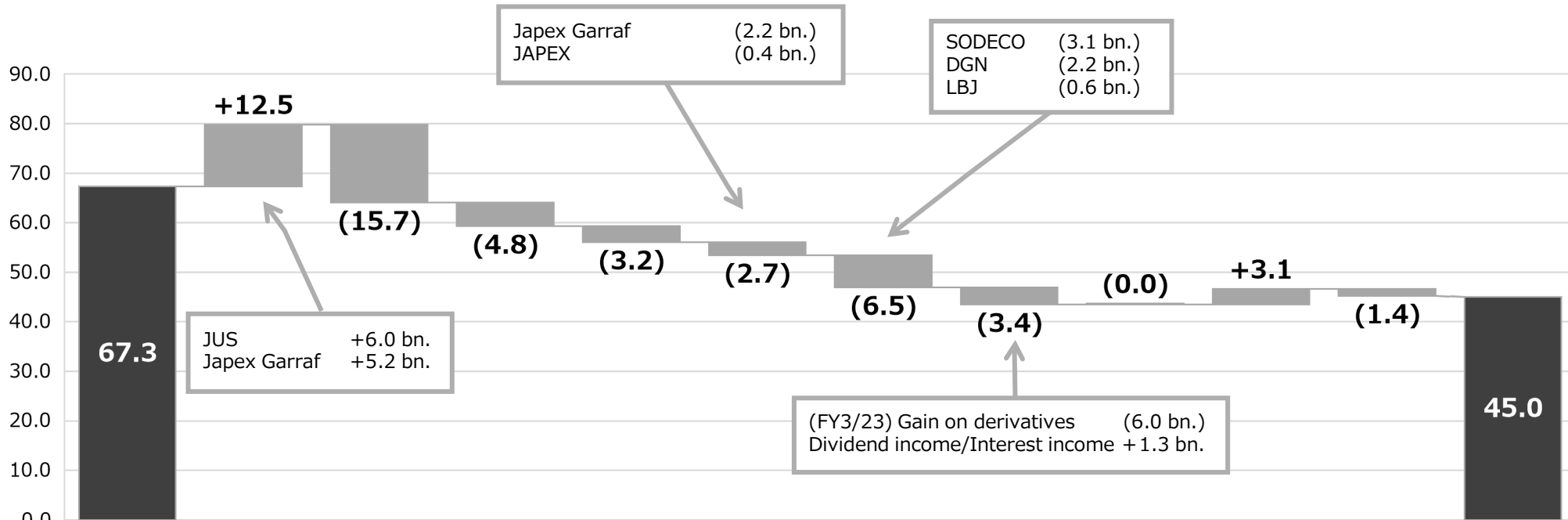
- Increase in general and administrative expenses (Personnel and digital-related expenditures etc.) (–)
- Decrease in profit of contract services at subsidiaries (–)

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

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

# Analysis of Change in Net Income Forecasts (Year-on-Year)

(Billion Yen)



FY3/23 (a)	Operating profit* (11.3 bn.)				Non-operating income (12.6 bn.)				Extraordinary income	Income taxes	Profit attributable to non-controlling interest	FY3/24 Revised (f)
	Net income	E&P overseas	E&P Japan	I/U	Others	Foreign exchange gains and loss	Equity on earnings	Others				
67.3	1.9	41.1	24.6	(5.6)	5.3	7.1	8.6	(0.0)	15.1	0.5	45.0	
FY3/24 Revised (f)	14.4	25.4	19.7	(8.9)	2.6	0.6	5.2	(0.1)	12.0	2.0		

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

## Cash Flows and Debt

	Million Yen	FY3/24 (f)		
		FY3/23 (a)	Full year	
			Nov.10	Feb.9
<b>Cash flows from operating activities</b>	<b>104,581</b>	<b>88,635</b>	<b>88,412</b>	
Profit before income taxes	83,084	56,900	59,000	
Depreciation	14,257	24,491	26,946	
Recovery of recoverable accounts	18,295	39,736	36,647	
<b>Cash flows from investing activities</b>	<b>(52,723)</b>	<b>(115,444)</b>	<b>(95,099)</b>	
Purchase of property, plant and equipment	(35,973)	(85,385)	(68,293)	
Payments of recoverable accounts	(27,729)	(32,413)	(30,241)	
<b>Cash flows from financing activities</b>	<b>(14,506)</b>	<b>(30,392)</b>	<b>(30,161)</b>	
<b>Cash and cash equivalents at end of period</b>	<b>186,166</b>	<b>128,965</b>	<b>149,318</b>	

Interest-bearing debt*1	10,413	10,149	10,149
EBITDA*2	85,316	83,241	88,227
Debt-to-EBITDA ratio	0.1	0.1	0.1

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

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

# Appendix

---

- 1. Net Sales**
- 2. Financial Results**
- 3. Segment Profit**
- 4. Price Assumptions for FY3/24 Forecasts**
- 5. Sensitivities Analysis on FY3/24 Forecasts Basis**
- 6. Business Overview**
- 7. Integrated Report and IR-related materials, etc.**
- 8. Glossary**

# 1. Net Sales - ① E&P

	Million Yen	FY3/23 (a)			FY3/24 (a)				FY3/24 (f)		
		3Q	1-3Q	Full year	1Q	2Q	3Q	1-3Q	4Q	Full year (f)	
										Nov. 10	Feb. 9
Sales		21,760	35,902	56,063	10,724	36,811	25,304	72,841	24,426	94,172	97,267
Sales volume of Crude oil (Thousand KL)		260	402	695	152	497	349	1,000	392	1,331	1,393
Net sales		21,570	35,672	55,703	10,608	36,650	25,091	72,350	23,868	93,411	96,218
Sales volume of Crude oil - Japan (Thousand KL)		57	173	238	50	50	60	161	68	219	230
Net sales		5,468	15,964	20,760	3,700	3,962	5,115	12,778	4,619	16,479	17,397
Sales volume of Crude oil - overseas *1 (Thousand KL)		199	213	436	97	441	283	823	319	1,092	1,142
Net sales		15,632	18,283	33,084	6,532	32,312	19,524	58,369	18,891	75,445	77,260
Sales volume of Purchased crude oil (Thousand KL)		4	15	20	5	5	5	15	4	19	20
Net sales		469	1,424	1,858	375	375	451	1,203	357	1,487	1,560
Sales volume of Natural gas -overseas *2 (Million M3)		3	5	11	10	15	16	42	23	60	66
Net sales		189	230	360	116	160	213	490	558	761	1,049
WTI (USD/bbl)		91.76	98.27	94.42	76.11	73.78	82.49	77.46	70.00	77.46	75.60
Crude oil price (CIF) (USD/bbl) *3		105.93	106.81	102.26	85.17	81.77	90.79	86.26	81.16	84.35	84.74

\*1 Amounts of overseas consolidated subsidiaries, Japex Garraf Ltd. and Japex (U.S.) Corp. for FY3/23, and Japex Garraf Ltd., Japex (U.S.) Corp. and JAPEX UK E&P Ltd. for FY3/24.

\*2 Amounts of overseas consolidated subsidiaries, Japex (U.S.) Corp. for FY3/23, and Japex (U.S.) Corp. and JAPEX UK E&P Ltd. for FY 3/24.

\*3 Domestic sales price average of crude oil referring to crude oil price (CIF)



# 1. Net Sales – ②I/U

	Million Yen	FY3/23 (a)			FY3/24 (a)				FY3/24 (f)		
		3Q	1-3Q	Full year	1Q	2Q	3Q	1-3Q	4Q	Full year (f)	
										Nov. 10	Feb. 9
Sales		64,968	141,748	213,657	36,398	38,288	36,027	110,714	59,282	168,005	169,996
Sales volume of Natural gas - Japan (Million M3)		245	692	989	202	197	246	646	309	961	955
Net sales		26,659	62,625	97,360	20,200	16,189	19,351	55,741	25,256	80,950	80,997
Sales volume of Natural gas produced in Japan (Million M3)		112	324	461	102	90	111	305	140	448	445
Sales volume of LNG (Thousand ton)		119	213	340	30	30	38	99	179	279	279
Net sales		21,391	34,877	51,572	1,498	4,551	4,143	10,193	18,384	28,617	28,578
Sales volume of Electricity (Million kWh)		693	2,146	3,005	774	1,171	695	2,641	878	3,468	3,520
Net sales		15,591	40,843	58,735	13,137	16,113	10,808	40,059	13,279	52,160	53,338
Others*		1,326	3,400	5,988	1,561	1,434	1,723	4,719	2,362	6,277	7,081
JLC Price (JPY / ton)		142,404	129,363	126,286	89,887	88,343	93,685	90,638	93,367	89,909	91,320

\* Including net sales from commissioned transportation of natural gas and commissioned regasification of LNG

## 2. Financial Results

Million Yen	FY3/23 (a)			FY3/24 (a)				FY3/24 (f)		
	3Q	1-3Q	Full year	1Q	2Q	3Q	1-3Q	4Q	Full year (f)	
									Nov. 10	Feb. 9
<b>Net sales</b>	<b>104,396</b>	<b>225,105</b>	<b>336,492</b>	<b>61,321</b>	<b>89,387</b>	<b>79,229</b>	<b>229,938</b>	<b>100,761</b>	<b>325,400</b>	<b>330,700</b>
E&P Business	21,760	35,902	56,063	10,724	36,811	25,304	72,841	24,426	94,172	97,267
Infrastructure/Utility Business	64,968	141,748	213,657	36,398	38,288	36,027	110,714	59,282	168,005	169,996
Others	17,667	47,454	66,771	14,199	14,286	17,897	46,383	17,052	63,221	63,435
Cost of sales	74,488	161,216	240,380	40,812	66,591	59,789	167,193	79,306	241,600	246,500
<b>Gross profit</b>	<b>29,907</b>	<b>63,888</b>	<b>96,111</b>	<b>20,508</b>	<b>22,795</b>	<b>19,440</b>	<b>62,745</b>	<b>21,454</b>	<b>83,800</b>	<b>84,200</b>
Exploration expenses	860	2,000	2,885	255	726	1,035	2,018	2,181	4,700	4,200
SG&A expenses	9,609	23,145	31,139	7,349	6,470	7,037	20,858	8,441	30,300	29,300
<b>Operating profit</b>	<b>19,438</b>	<b>38,742</b>	<b>62,085</b>	<b>12,903</b>	<b>15,597</b>	<b>11,366</b>	<b>39,868</b>	<b>10,831</b>	<b>48,800</b>	<b>50,700</b>
Non-operation income (expense)	<b>(4,643)</b>	<b>19,136</b>	<b>21,044</b>	<b>5,315</b>	<b>5,318</b>	<b>(2,339)</b>	<b>8,294</b>	<b>105</b>	<b>8,200</b>	<b>8,400</b>
Interest income	342	749	1,173	520	464	559	1,544	255	1,400	1,800
Interest expenses	-	(3)	(5)	(24)	(34)	(161)	(220)	(479)	(1,000)	(700)
Dividend income	67	1,719	3,520	57	1,977	71	2,106	2,093	4,200	4,200
Share of profit of entities accounted for using equity method	49	6,734	7,109	338	932	245	1,516	(916)	900	600
Provision for overseas investment	(44)	(44)	(44)	(15)	0	(23)	(38)	138	(100)	100
Foreign exchange gains and loss	(4,312)	4,864	5,332	4,764	1,587	(3,103)	3,248	(648)	3,000	2,600
Other	(744)	5,117	3,958	(325)	390	72	136	(336)	(200)	(200)
<b>Ordinary profit</b>	<b>14,794</b>	<b>57,878</b>	<b>83,130</b>	<b>18,219</b>	<b>20,916</b>	<b>9,027</b>	<b>48,162</b>	<b>10,937</b>	<b>57,000</b>	<b>59,100</b>
Extraordinary income (loss)	(11)	(27)	(46)	(9)	(3)	(7)	(20)	(79)	(100)	(100)
Profit before income taxes	14,783	57,851	83,084	18,209	20,912	9,019	48,141	10,858	56,900	59,000
Income taxes	4,520	13,490	15,102	4,335	4,757	476	9,569	2,430	9,600	12,000
Profit attributable to non-controlling interests	(1,593)	1,074	587	874	1,384	(202)	2,056	(56)	2,300	2,000
<b>Profit (loss) attributable to owners of parent</b>	<b>11,856</b>	<b>43,286</b>	<b>67,394</b>	<b>12,999</b>	<b>14,770</b>	<b>8,745</b>	<b>36,515</b>	<b>8,484</b>	<b>45,000</b>	<b>45,000</b>

### 3. Segment Profit

Million Yen		FY3/23 (a)			FY3/24 (a)				FY3/24 (f)		
		3Q	1-3Q	Full year	1Q	2Q	3Q	1-3Q	4Q	Full year(f)	
										Nov. 10	Feb. 9
Japan	Operating profit	19,702	42,391	68,855	13,732	12,608	9,612	35,954	11,899	48,164	47,853
	Share of profit (loss) of entities accounted for using equity method	124	440	326	136	50	(64)	123	34	276	157
North America	Operating profit	2,370	2,918	4,210	1,952	3,536	3,440	8,929	1,273	10,253	10,202
	Share of profit of entities accounted for using equity method	-	-	-	-	-	-	-	-	-	-
Europe	Operating profit (loss)	(29)	(118)	(170)	(111)	(137)	(111)	(360)	576	(984)	216
	Share of profit (loss) of entities accounted for using equity method	-	-	-	-	-	(61)	(61)	(609)	(728)	(670)
Middle East	Operating profit (loss)	(8)	1,125	(112)	447	2,672	1,110	4,230	835	4,773	5,065
	Share of profit (loss) of entities accounted for using equity method	(2)	(9)	(11)	(1)	(3)	7	2	0	(4)	2
Others*1	Operating profit	-	-	-	-	-	-	-	-	-	-
	Share of profit (loss) of entities accounted for using equity method	(72)	6,303	6,793	202	884	364	1,451	(341)	1,354	1,110
Adjustments and Eliminations*2		(2,596)	(7,574)	(10,697)	(3,118)	(3,082)	(2,684)	(8,885)	(3,752)	(13,406)	(12,638)
Amounts on consolidated statement of income*3		19,438	38,742	62,085	12,903	15,597	11,366	39,868	10,831	48,800	50,700

\*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 FY3/24 Forecasts

Market Price			Upper: from January 2022 to March 2023					Full year
			Lower: from January 2023 to March 2024					
			Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	
Crude oil price (CIF) *1	USD/bbl	FY3/23 (a)	-	101.55	115.31	105.93	89.98	102.26
		Previous (f) Nov. 10	-	85.17	81.77	85.00	85.00	84.35
		Revised (f) Feb. 9	-	<b>85.17</b> *2	<b>81.77</b> *2	<b>90.79</b> *2	<b>81.16</b>	<b>84.74</b>
WTI	USD/bbl	FY3/23 (a)	94.41	108.65	91.76	82.85	-	94.42
		Previous (f) Nov. 10	76.11	73.78	80.00	80.00	-	77.46
		Revised (f) Feb. 9	<b>76.11</b> *2	<b>73.78</b> *2	<b>82.49</b> *2	<b>70.00</b> *2	-	<b>75.60</b>
JLC price	JPY/Ton	FY3/23 (a)	-	101,863	143,821	142,404	117,057	126,286
		Previous (f) Nov. 10	-	88,287	89,115	89,400	91,233	89,909
		Revised (f) Feb. 9	-	<b>89,887</b> *2	<b>88,343</b> *2	<b>93,685</b>	<b>93,367</b>	<b>91,320</b>
Exchange rate	JPY/USD	FY3/23 (a)	-	122.50	133.58	143.32	133.39	132.86
		Previous (f) Nov. 10	-	134.36	141.06	140.00	140.00	139.51
		Revised (f) Feb. 9	-	<b>134.36</b> *2	<b>141.06</b> *2	<b>148.53</b> *2	<b>140.00</b>	<b>141.42</b>

\*1 Domestic sales price average of crude oil referring to crude oil (CIF)

\*2 Actual

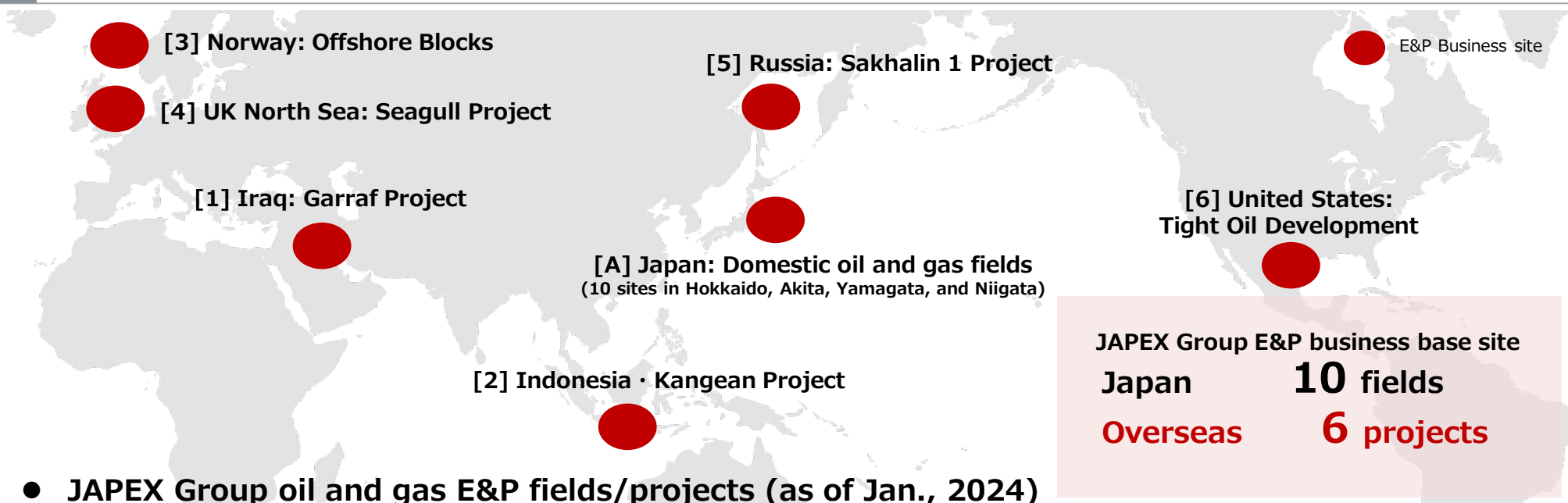
## 5. Sensitivities Analysis on FY3/24 Forecasts Basis

	FY3/24 4Q Assumptions	Fluctuation	Impacts on profit (Million Yen)		Main factors for change positive factor "+" / negative factor "-"
			Operating profit	Profit attributable to owners of parent	
Crude oil price	<b>Crude oil price (CIF) 4Q:USD 81.16/bbl</b>	Increase by 1USD/bbl	<b>60</b>	<b>40</b>	+ Sales of oil and gas - Increase in LNG procurement cost
Exchange rate	<b>JPY 140.00/USD</b>	1 weaker JPY against USD	<b>50</b>	<b>20</b>	+ Sales of oil and gas - Increase in LNG procurement cost

### 【Assumptions】

- Changes in equity method profit/loss 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 E&P Field



### ● JAPEX Group oil and gas E&P fields/projects (as of Jan., 2024)

No.	Oil and gas field/Project title (Operator)	Interest Share (JAPEX's net)	Production type	Status	Production Volume*1
A	Japan: Domestic oil and gas fields (Total of 10 locations in Hokkaido, Akita, Yamagata, and Niigata)	Differ by interest	Crude oil/natural gas	Production/Development	Undisclosed
1	Iraq: Garraff Project (PETRONAS Carigali Iraq Holding B.V.)	30% (16.5%)	Crude oil	Production/Development	Approx. 158,000bbl
2	Indonesia: Kangean Project (Kangean Energy Indonesia Ltd.)	100% (25%)	Crude oil/natural gas	Production	Approx. 2,350,000m <sup>3</sup> (Approx. 14,304boed)
3	Norway: Offshore Blocks (Longboat JAPEX Norge AS*2)	Differ by interest	Crude oil/natural gas	Exploration/Production/Development	Approx. 254boed
4	UK North Sea: Seagull Project (BP Exploration Operating Company Ltd.)	15% (15%)	Crude oil/natural gas	Production/Development	Undisclosed
5	Russia: Sakhalin-1 Project (Sakhalin-1 Limited Liability Company: S1LLC)	30% (4.59%)*3	Crude oil/natural gas	Production/Development	Undisclosed
6	North America: Tight Oil Development (EOG Resources Inc., etc.)	Differ by interest	Crude oil/natural gas	Production/Development	Undisclosed

\*1: Average daily Production for 3Q FY2023 (No.2, 3: Jan.-Sep. 2023, No.1: Apr.-Dec. 2023)

\*2: Company name was changed upon completion of capital participation (49.9% stake) in Jul. 2023

\*3: Pursuant to Government of the Russian Federation order on November 2022, Sakhalin Oil and Gas Development Co., Ltd.(SODECO) was approved to subscribe for 30% equity of the S1LLC.

## 6. Business Overview ② 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, domestic vessels
- Third-party or consignment use of our gas pipelines and LNG terminals etc.

#### ● Respond to diversification of domestic gas supply

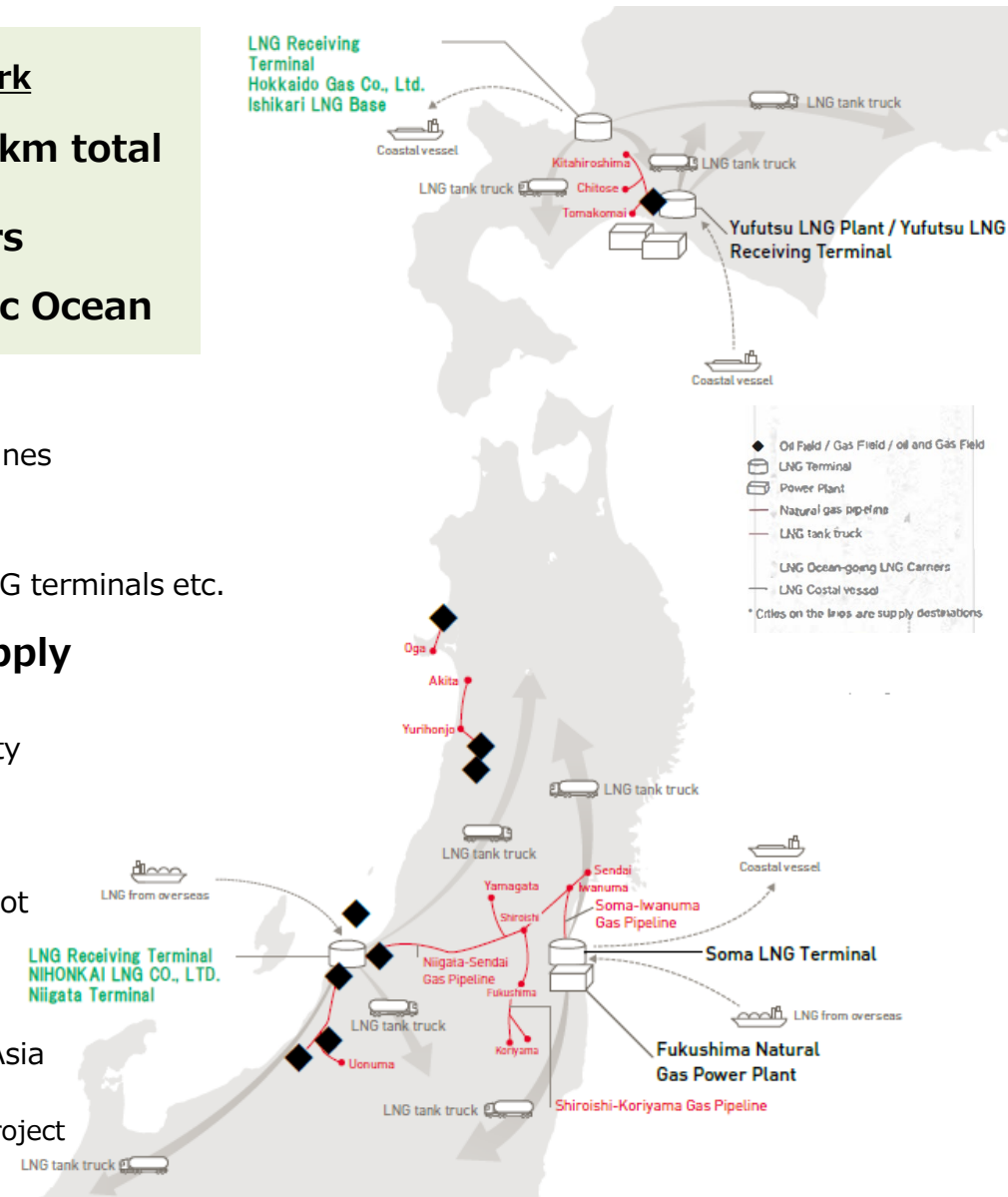
- Support fuel switching to natural gas from other fossil fuels
- Propose and provide energy services in cooperation with city gas suppliers

#### ● 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 ③ I/U Field - Electricity

JAPEX's joining power plants are

**Total 8 sites**      **Total output 1,389,800kW**  
**(Renewable energy 7 sites)**      **Renewable energy 209,800kW)**  
 ※ Total output represents gross plant output

### ● Power plants in development and operation (as of Jan., 2024)

No.	Name	Location	Type	Capacity (kW)	Share	Status
A	Fukushima Natural Gas Power Plant	Shinchi Town, Fukushima	Natural gas (LNG)	1,180,000	33%	In operation
1	Abashiri Biomass No.2&3 Power Plants	Abashiri City, Hokkaido	Biomass (wood chip)	19,800	33.8%	In operation
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	Mitsuke PV Power Plant	Mitsuke City, Niigata	PV	250	100%	In operation
5	Tahara Biomass Power Plant	Tahara City, Aichi	Biomass (wood pellet)	50,000	39.9%	Under construction
6	Ozu Biomass Power Plant	Ozu City, Ehime	Biomass (wood pellet)	50,000	35%	Under construction
7	Chofu Biomass Power Plant	Shimonoseki City, Yamaguchi	Biomass (wood pellet)	74,950	39.9%	Under construction

### ● 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)

[7] Chofu Biomass Power Plant

BIO

BIO

[6] Ozu Biomass Power Plant

[5] Tahara Biomass Power Plant

BIO

[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



[A] Fukushima Natural Gas Power Plant

LNG

PV

[4] Mitsuke PV Power Plant



● Gas power plant

■ Renewable power plant

■ Renewable power plant (under construction)



## 6. Business Overview ④ CN Field

### ● Ongoing Carbon Neutral initiatives to promote/participate in

#### Japan Realize hub & cluster type CCS/CCUS model by FY2030

##### ➤ Consideration in JAPEX

- ✓ Examination of CO<sub>2</sub> storage capacity in our oil and gas fields, etc.
- ✓ Study of re-injection of associated CO<sub>2</sub> from our oil and gas field operations

##### ➤ Feasibility study with companies/cross-industry

- ✓ Considering of possibility of a business that effectively utilizes CO<sub>2</sub> in the Niigata area with Mitsubishi Gas Chemical (May 2021~)
- ✓ Feasibility study of CCUS project in Tomakomai area, Hokkaido with Idemitsu and HEPCO (Jan 2023~)
- ✓ JAPEX, Idemitsu, and HEPCO commissioned a CCS Study in Tomakomai Area as the "Business Feasibility Study on Japanese Advanced CCS Project" in FY2023 by JOGMEC (Jul 2023)
- ✓ JAPEX, MGC, TOHOKU-EPCO, HC and NRI commissioned a Study in East-Niigata Area as the "Business Feasibility Study on Japanese Advanced CCS Project" in FY2023 by JOGMEC (Aug 2023)
- ✓ Agreed on Joint Study with Nippon Gas Line on domestic marine transportation of liquefied CO<sub>2</sub> and port developments (Nov 2023)
- ✓ Commencement of Joint Study with MGC, IHI, Mitsui & Co., and MOL to establish ammonia supply base in Soma area, Fukushima Prefecture (Jan 2024~)

#### 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 Lemigas) (Jun 2021~Jul 2023)
- ✓ Joint Study on CCS in Malaysia: Jointly conducted site surveys and technical studies with a view to implementing CO<sub>2</sub> geological storage with PETRONAS, JGC Global Corporation, and Kawasaki Kisen Kaisha (Jan 2022~)
- ✓ Agreed with JFE Steel Corporation to establish CCS value chain originated from JAPAN in conjunction with the above CCS joint study in Malaysia in FY2023 (Jun 2023)
- ✓ Signed a Memorandum of Understanding with SKK Migas for cooperation in realizing Hub & Cluster CCS/CCUS in Indonesia (Sep 2023)
- ✓ Capital participation in Blue Spruce Operating LLC of the U.S. to participate in our first CCS business study project in advanced overseas country (Oct 2023)
- ✓ Started CO<sub>2</sub> injection testing at the Sukowati oil field in Indonesia based on a joint study agreement with JOGMEC and the Pertamina Group (Dec 2023~)

#### Common

##### ➤ Technical and other related study

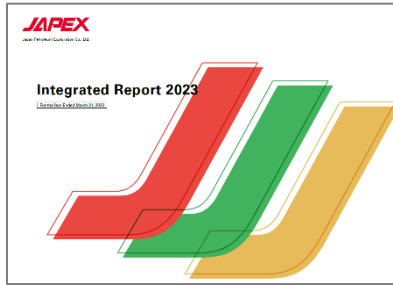
- ✓ Study on technical issues of energy transportation infrastructure for the realization of a CN society with JFE Engineering

## 7. Integrated Report and IR-related Materials, etc.

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 2023, published in October 2023)  
is available directly via the following link

[https://www.japex.co.jp/en/ir/uploads/pdf/JAPEX\\_IR2023\\_e.pdf](https://www.japex.co.jp/en/ir/uploads/pdf/JAPEX_IR2023_e.pdf)

### Disclosure Materials Archive

- ◆ Financial Results
- ◆ Explanatory Materials
- ◆ Securities Report

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

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

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

### 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/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
CN	Carbon neutral
E&P	Exploration and Production
I/U	Infrastructure & Utility
JCC	Japan Crude Cocktail
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
LBJ	Longboat JAPEX Norge AS	Norway: Offshore Blocks
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 facts 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.

Copyright: All information contained herein is protected by copyright, and may not be copied or reproduced without prior consent of JAPEX.

## Note:

• Abbreviations used herein are as follows:

(a) = Actual results

(f) = Forecasts

FY = Fiscal Year (FY3/24, for instance, means 12 months ending March 31, 2024)

• 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.

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

Corporate Communication Office, Japan Petroleum Exploration Co., Ltd. (JAPEX)

Tokyo, JAPAN TEL: +81-3-6268-7111

**JAPEX**