

Consolidated Balance Sheet

March 31, 2011

	Millions of yen	Thousands of U.S. dollars(Note 1)
ASSETS	2011	2011
Current Assets		
Cash and cash equivalents (Note 7)	¥100,212	\$1,205,196
Receivables (Note 7)		
Trade	8,594	103,361
Other	860	10,341
Marketable securities (Note 7)	4,001	48,123
Inventories	604	7,264
Advance payments	510	6,133
Deferred tax assets	24	294
Other current assets	499	5,989
Total Current Assets	115,304	1,386,701
Investments and Other Assets		
Investments in securities (Note 7)	165,804	1,994,031
Other assets	656	7,892
Total Investments and other assets	166,460	2,001,923
Property and Equipment (Note 3)		
Buildings and structures	3,499	42,079
Wells	31,056	373,498
Machinery and equipment	25,566	307,474
Construction in progress	42,732	513,918
Other	123	1,461
Total Property and Equipment	102,976	1,238,430
Intangible Assets		
Mineral rights	21,107	253,842
Exploration expenditures	23,798	286,213
Allowance for exploration expenditures	(25,687)	(308,927)
Other	146	1,756
Total Intangible Assets	19,364	232,884
Total Assets	¥404,104	\$4,859,938

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Consolidated Balance Sheet

March 31, 2011

	Millions of yen	Thousands of U.S. dollars(Note 1)
	2011	2011
LIABILITIES AND EQUITY		
Current Liabilities		
Current portion of long-term debt (Note7)	¥407	\$4,900
Accounts payable (Note7)	4,162	50,056
Income taxes payable (Note7)	16,558	199,135
Accrued expenses	763	9,178
Deposits received	395	4,746
Allowance for settlement of the oil spill incident in the Gulf of Mexico	88,555	1,065,000
Other current liabilities	246	2,956
Total Current Liabilities	111,086	1,335,971
Long-Term Liabilities		
Long-term debt (Note7)	2,931	35,252
Deferred tax liabilities	43,380	521,703
Liability for retirement benefits	564	6,784
Retirement allowance for directors and corporate auditors	142	1,702
Asset retirement obligations	26,325	316,602
Long-term accounts payable (Note7)	16,087	193,472
Other long-term liabilities	1,000	12,029
Total Long-Term Liabilities	90,429	1,087,544
Total Liabilities	201,515	2,423,515
Contingent Liabilities (Note 6)		
Equity (Note5)		
Common stock	33,133	398,478
Shares authorized:80,000,000		
Shares outstanding:66,266,800		
Capital surplus	63	762
Retained earnings	109,598	1,318,068
Total Equity	142,794	1,717,308
Valuation and Translation Adjustments		
Unrealized gain on available-for-sale securities	69,270	833,075
Foreign currency translation adjustments	(14,453)	(173,823)
Total Valuation and Translation Adjustments	54,817	659,252
Minority Interests	4,978	59,863
Total Equity	202,589	2,436,423
Total Liabilities and Equity	¥404,104	\$4,859,938

See notes to consolidated financial statement.

Consolidated Statement of Operations

Year ended March 31, 2011	Millions of yen	Thousands of U.S. dollars (Note 1)
	2011	2011
Net sales	¥97,222	\$1,169,236
Cost of sales	34,380	413,469
Gross profit	62,842	755,767
Selling, general and administrative expenses	6,514	78,340
Operating income	56,328	677,427
Other income (expenses)		
Interest and dividend income	3,842	46,211
Interest expense	(27)	(320)
Equity in earnings of associated companies	5,965	71,744
Foreign exchange gain	5,390	64,822
Gain on change in equity ownership	362	4,348
Provision for exploration expenditures	(3,996)	(48,057)
Provision for settlement of the oil spill incident in the Gulf of Mexico	(88,555)	(1,065,000)
Loss on adjustment for changes of accounting standard for asset retirement obligations	(9,159)	(110,149)
Other - net	(600)	(7,225)
Other expenses - net	(86,778)	(1,043,626)
Loss before income taxes and minority interests	(30,450)	(366,199)
Income taxes		
Current	35,086	421,962
Deferred	573	6,891
Total income taxes	35,659	428,853
Net loss before minority interests	(66,109)	(795,052)
Minority interests in net loss	799	9,613
Net loss	(¥66,908)	(\$804,665)
	Yen	U.S. dollars (Note 1)
Per share of common stock	2011	2011
Basic net loss	(¥1,009.67)	(\$12.14)

See notes to consolidated financial statement.

Consolidated Statement of Changes in Equity

Year ended March 31, 2011

	Thousands		Millions of Yen					
	outstanding number of shares of common stock	Common stock	Capital surplus	Retained earnings	Unrealized gain on available for-sale securities	Foreign currency translation adjustments	Minority interests	Total Equity
BALANCE, MARCH 31, 2010	66,267	¥33,133	¥63	¥176,506	¥75,483	(¥8,076)	¥4,333	¥281,442
Net loss				(66,908)				(66,908)
Net changes of items other than shareholders' equity					(6,213)	(6,377)	645	(11,945)
Net change in the year				(66,908)	(6,213)	(6,377)	645	(78,853)
BALANCE, MARCH 31, 2011	66,267	¥33,133	¥63	¥109,598	¥69,270	(¥14,453)	¥4,978	¥202,589

	Thousands of U.S. Dollars (Note 1)							
	Common stock	Capital surplus	Retained earnings	Unrealized gain on available for-sale securities	Foreign currency translation adjustments	Minority interests	Total Equity	
BALANCE, MARCH 31, 2010	\$398,478	\$762	\$2,122,733	\$907,799	(\$97,129)	\$52,107	\$3,384,750	
Net loss			(804,665)				(804,665)	
Net changes of items other than shareholders' equity				(74,724)	(76,694)	7,756	(143,662)	
Net change in the year			(804,665)	(74,724)	(76,694)	7,756	(948,327)	
BALANCE, MARCH 31, 2011	\$398,478	\$762	\$1,318,068	\$833,075	(\$173,823)	\$59,863	\$2,436,423	

See notes to consolidated financial statement.

Consolidated Statement of Cash Flows

Year ended March 31, 2011

	Millions of yen 2011	Thousands of U.S. dollars (Note 1) 2011
Operating Activities		
Loss before income taxes and minority interests	(¥30,450)	(\$366,199)
Adjustments for:		
Income taxes paid	(28,539)	(343,226)
Depreciation and amortization	23,362	280,960
Loss on adjustment for changes of accounting standard for asset retirement obligations	9,159	110,149
Provision for settlement of the oil spill incident in the Gulf of Mexico	88,555	1,065,000
Gain on foreign currency translation	(6,887)	(82,826)
Provision for exploration expenditures	3,996	48,057
Equity in earnings of associated companies	(5,965)	(71,744)
Changes in assets and liabilities:		
Increase in receivables-trade	(1,855)	(22,309)
Increase in inventories	(153)	(1,837)
Increase in advance payment	(157)	(1,883)
Increase in accounts payable	178	2,142
Other - net	7,810	93,929
Total adjustments	89,504	1,076,412
Net cash provided by operating activities	59,054	710,213
Investing Activities		
Capital expenditures	(30,153)	(362,634)
Purchases of investments in securities	(15,148)	(182,174)
Proceed from sales of investments in securities	4,902	58,953
Other - net	(142)	(1,713)
Net cash used in investing activities	(40,541)	(487,568)
Financing Activities		
Repayment of long-term debt	(2,669)	(32,096)
Proceeds from issuance of common stock to minority shareholders	739	8,888
Dividends paid to minority shareholders	(567)	(6,826)
Net cash used in financing activities	(2,497)	(30,034)
Foreign Currency Translation Adjustments on Cash and Cash Equivalents	(1,164)	(14,003)
Net Increase in Cash and Cash Equivalents	14,852	178,608
Cash and Cash Equivalents at Beginning of Year	85,360	1,026,588
Cash and Cash Equivalents at End of Year	¥100,212	\$1,205,196
Non-cash investing and financing activity		
Asset retirement obligations	¥26,325	\$316,602

See notes to consolidated financial statement.