

# CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2020



**MITSUMI OIL EXPLORATION CO.,LTD.**

Please note that the accompanying consolidated financial statements and notes are translation of the original Japanese document prepared in accordance with the provision set forth in the Companies Act of Japan and applicable regulations and in accordance with the accounting principles generally accepted in Japan and is only for reference purpose. In the event of any differences between this translated consolidated financial statements and the original Japanese document, the original Japanese document shall prevail.

## Consolidated Balance Sheet

March 31, 2020

ASSETS	Millions of yen		Thousands of U.S. dollars (Note 1)
	March 31, 2020	March 31, 2019	March 31, 2020
<b>Current Assets</b>			
Cash and cash equivalents (Note 7)	¥338,096	¥283,820	\$3,106,643
Receivables-trade (Note 7)	11,753	20,484	107,994
Inventories	508	796	4,667
Other current assets	4,243	6,518	38,989
Total Current Assets	354,600	311,618	3,258,294
<b>Investments and Other Assets</b>			
Investments in securities (Note 7)	80,957	94,535	743,886
Other assets	1,048	803	9,626
Total Investments and Other Assets	82,005	95,339	753,512
<b>Property and Equipment (Note 3)</b>			
Buildings and structures	2,291	3,214	21,052
Wells	53,012	60,792	487,111
Machinery and equipment	16,718	23,871	153,614
Land	7	-	64
Construction in progress	7,165	15,014	65,841
Other	65	91	600
Total Property and Equipment	79,259	102,983	728,282
<b>Intangible Assets</b>			
Mineral rights	26,103	35,155	239,851
Exploration expenditures	20,551	25,512	188,838
Allowance for exploration expenditures	(23,446)	(28,916)	(215,436)
Other	100	144	922
Total Intangible Assets	23,309	31,895	214,175
<b>Total Assets</b>	<b>¥539,172</b>	<b>¥541,834</b>	<b>\$4,954,263</b>

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## Consolidated Balance Sheet

March 31, 2020

LIABILITIES AND EQUITY	Millions of yen		Thousands of U.S. dollars (Note 1)
	March 31, 2020	March 31, 2019	March 31, 2020
<b>Current Liabilities</b>			
Short-term debt (Note 7)	¥1,300	¥1,300	\$11,945
Current portion of long-term debt (Note 7)	2,989	3,029	27,469
Accounts payable (Note 7)	6,648	7,020	61,088
Income taxes payable (Note 7)	18,535	20,680	170,309
Accrued expenses (Note 7)	4,205	2,775	38,638
Deposits received (Note 7)	146	21	1,345
Asset retirement obligations (Note 2(q), 4)	8,078	3,580	74,228
Other current liabilities	1,391	1,491	12,785
<b>Total Current Liabilities</b>	<b>43,293</b>	<b>39,896</b>	<b>397,807</b>
<b>Long-Term Liabilities</b>			
Long-term debt (Note 7)	12,380	15,572	113,757
Deferred tax liabilities	2,582	7,471	23,729
Asset retirement obligations (Note 2(q), 4)	106,409	90,515	977,755
Long-term accounts payable (Note 7)	2,063	4,213	18,958
Other long-term liabilities	17,201	10,349	158,050
<b>Total Long-Term Liabilities</b>	<b>140,635</b>	<b>128,120</b>	<b>1,292,248</b>
<b>Total Liabilities</b>	<b>183,929</b>	<b>168,016</b>	<b>1,690,056</b>
<b>Contingent Liabilities (Note 6)</b>			
<b>Equity (Note 5)</b>			
Common stock	33,133	33,133	304,451
Shares authorized for both 2020 and 2019: 80,000,000			
Shares outstanding for both 2020 and 2019: 66,266,800			
Capital surplus	2,394	2,409	21,999
Retained earnings	274,800	276,388	2,525,036
<b>Total</b>	<b>310,327</b>	<b>311,930</b>	<b>2,851,486</b>
<b>Accumulated Other Comprehensive Income</b>			
Unrealized gains on available-for-sale securities	14,298	26,353	131,375
Deferred gains (losses) on hedges	(224)	(232)	(2,058)
Foreign currency translation adjustments	26,210	26,869	240,838
<b>Total</b>	<b>40,284</b>	<b>52,990</b>	<b>370,156</b>
<b>Noncontrolling Interests</b>	<b>4,632</b>	<b>8,898</b>	<b>42,565</b>
<b>Total Equity</b>	<b>355,244</b>	<b>373,818</b>	<b>3,264,207</b>
<b>Total Liabilities and Equity</b>	<b>¥539,172</b>	<b>¥541,834</b>	<b>\$4,954,263</b>

See notes to consolidated financial statements.

## Consolidated Statement of Income

Year ended March 31, 2020

	Millions of yen		Thousands of U.S. dollars (Note 1)
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020
Net sales	¥155,454	¥145,682	\$1,428,412
Cost of sales	71,172	68,145	653,970
Gross profit	84,282	77,537	774,442
Selling, general, and administrative expenses	5,926	6,552	54,450
Operating income	78,356	70,985	719,992
Other income (expenses)			
Interest and dividend income	7,004	7,652	64,351
Interest expense	(473)	(472)	(4,347)
Equity in earnings (losses) of associated companies	(4,320)	6,849	(39,694)
Foreign exchange gain (loss)	(2,592)	(2,722)	(23,816)
Loss on write-off of asset retirement obligation of fully depreciated assets related to change in accounting estimate (Note 2(q))	(19,889)	-	(182,756)
Realized gain on derivatives	1,276	1,861	11,726
Gain on sales of investments in securities	7,325	2,657	67,308
Provision for exploration expenditure	(1,177)	(2,750)	(10,811)
Impairment loss	(6,293)	-	(57,822)
Loss on liquidation of subsidiaries and associated companies	-	(1,573)	-
Other - net	1,164	1,180	10,695
Other income (expenses) - net	(17,975)	12,681	(165,166)
Income before income taxes	60,382	83,666	554,826
Income taxes			
Current	49,745	46,979	457,089
Deferred	(182)	(474)	(1,670)
Total income taxes	49,563	46,505	455,420
Net income	10,818	37,161	99,406
Net income attributable to noncontrolling interests	81	538	745
Net income attributable to owners of the parent	¥10,737	¥36,623	\$98,661
		Yen	U.S. dollars (Note 1)
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020
Per share of common stock			
Net income	¥162.03	¥552.66	\$1.49
Cash dividends applicable to the year	-	186	-

See notes to consolidated financial statements.

## Consolidated Statement of Changes in Equity

Year ended March 31, 2020

	Millions of yen							
	Common stock	Capital surplus	Retained earnings	Unrealized gains (losses) on available-for-sale securities	Deferred gains (losses) on hedges	Foreign currency translation adjustments	Noncontrolling interests	Total equity
BALANCE, March 31, 2018	¥33,133	¥2,421	¥252,289	¥35,797	(¥571)	¥27,187	¥7,886	¥358,144
Cash dividends, ¥189 per share			(12,524)					(12,524)
Net income			36,623					36,623
Changes in parent's ownership interest due to transaction with noncontrolling interests		(12)						(12)
Net changes of items other than shareholders' equity				(9,444)	339	(319)	1,012	(8,412)
Net change in the year	-	(12)	24,099	(9,444)	339	(319)	1,012	15,675
BALANCE, March 31, 2019	¥33,133	¥2,409	¥276,388	¥26,353	(¥232)	¥26,869	¥8,898	¥373,818
Cash dividends, ¥186 per share			(12,326)					(12,326)
Net income			10,737					10,737
Changes in parent's ownership interest due to transaction with noncontrolling interests		(15)					(4,610)	(4,624)
Net changes of items other than shareholders' equity				(12,055)	8	(659)	344	(12,362)
Net change in the year	-	(15)	(1,588)	(12,055)	8	(659)	(4,266)	(18,575)
BALANCE, March 31, 2020	¥33,133	¥2,394	¥274,800	¥14,298	(¥224)	¥26,210	¥4,632	¥355,244

	Thousands of U.S. dollars (Note 1)							
	Common stock	Capital surplus	Retained earnings	Unrealized gains (losses) on available-for-sale securities	Deferred gains (losses) on hedges	Foreign currency translation adjustments	Noncontrolling interests	Total equity
BALANCE, March 31, 2019	\$304,451	\$22,135	\$2,539,631	\$242,148	(\$2,132)	\$246,889	\$81,761	\$3,434,883
Cash dividends, \$1.71 per share			(113,256)					(113,256)
Net income			98,661					98,661
Changes in parent's ownership interest due to transaction with noncontrolling interests		(136)					(42,356)	(42,492)
Net changes of items other than shareholders' equity				(110,772)	74	(6,051)	3,160	(113,589)
Net change in the year	-	(136)	(14,595)	(110,772)	74	(6,051)	(39,196)	(170,676)
BALANCE, March 31, 2020	\$304,451	\$21,999	\$2,525,036	\$131,375	(\$2,058)	\$240,838	\$42,565	\$3,264,207

See notes to consolidated financial statements.

# Notes to Consolidated Financial Statements

Year ended March 31, 2020

## 1. Basis of Presenting Consolidated Financial Statements

The accompanying consolidated financial statements have been prepared from the accounts maintained by Mitsui Oil Exploration Co., Ltd. (“MOECO”), in accordance with the provisions set forth in the Companies Act of Japan and applicable regulations (the “Companies Act”) and in accordance with the accounting principles generally accepted in Japan. The information provided in the notes to the consolidated financial statements is limited to that required by the Companies Act. The consolidated statement of cash flows is presented herein, although the preparation of such statement is not required under the Companies Act.

In preparing these consolidated financial statements, certain reclassifications and rearrangements have been made to MOECO's consolidated financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan. In addition, certain reclassifications have been made in the 2019 consolidated financial statements to conform to the classifications used in 2020.

The consolidated financial statements are stated in Japanese yen, the currency of the country in which MOECO is incorporated and operates. The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥108.83= US\$1, the rate of exchange at March 31, 2020. The translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

Statement of comprehensive income is not required as a part of the basic financial statements under the Companies Act of Japan and applicable regulations and, accordingly, is not presented herein.

## 2. Summary of Significant Accounting Policies

### a) Principles of consolidation and accounting for investments in affiliates

The accompanying consolidated financial statements include the accounts of MOECO, 26 subsidiaries (together, the “Group”), and 9 affiliates. The 26 subsidiaries are Moeco Thailand Co., Ltd., Moeco Thai Oil Development Co., Ltd., Moeco Cambodia Co., Ltd., Moeco Vietnam Petroleum Co., Ltd., Moeco Southwest Vietnam Petroleum Co., Ltd., Moeco Tuna E&P Co., Ltd., Moeco Libya Co., Ltd., Siam Moeco Ltd., MOECO International B.V., MOEX USA Corporation, MOEX Gulf of Mexico Corporation, MOEX Oil & Gas Texas LLC, MOEX Offshore 2007 LLC, MOEX North America LLC, MOECO ASIA PTE. LTD., MOECO ASIA MG3 PTE. LTD., MOECO ASIA PSCG PTE. LTD., MOECO ASIA EP2 PTE. LTD., MOECO Oil & Gas Asia PTE. LTD., MOECO Asia Offshore PTE. LTD., MOECO Asia South PTE. LTD., MOECO OIL (SARAWAK) SDN.BHD., MOECO Southwest Vietnam Pipeline B.V., MOECO Sakakemang B.V., MOECO Southeast Jambi B.V., and MOECO South Sakakemang B.V. The 9 affiliates are Mitsui E&P Middle East B.V., Orange Energy Limited, Mitsui E&P USA LLC, Mitsui E&P UK Ltd., Erawan2 FSO Bahamas Ltd., Mitsui E&P Texas Holdings LLC, Mitsui E&P Brasil Ltda., Mitsui E&P Argentina S.A., and Iwate Geothermal Power Co., Ltd., and are accounted for by the equity method. Under the control and influence concepts, those companies in which MOECO, directly or indirectly, is able to exercise control over operations are fully consolidated, and those companies over which the Group has the ability to exercise significant influence are accounted for by the equity method. As certain companies are not significant to the consolidated financial statements, such companies are not consolidated or accounted for by the equity method. For the year ended March 31, 2020, Moeco West Papua 1 Co., Ltd., and Moeco West Papua 3 Co., Ltd., were excluded from the scope of consolidation due to a liquidation. For the year ended March 31, 2020, MOECO added Mitsui E&P Argentina S.A., as an affiliate and accounted for by the equity method. As the closing date of certain subsidiaries and affiliates, which is December 31, differed from the consolidated closing date, necessary adjustments have been made to the financial statements of those companies to reflect any significant transactions made between MOECO's closing date and those of the consolidated subsidiaries.

The excess of cost over the underlying net assets, excluding noncontrolling interests at fair value, as of their dates of acquisition, is accounted for as goodwill and amortized over 20 years by the straight-line method.

All significant intercompany balances and transactions are eliminated in consolidation.

**b) Cash equivalents**

Cash equivalents are short-term investments that are readily convertible into cash and that are exposed to insignificant risk of changes in value. Cash equivalents include time deposits that represent short-term investments, all of which mature or become due within six months of the date of acquisition.

**c) Inventories**

Inventories are stated at the lower of cost, determined by the retail method, or net selling value.

**d) Marketable and Investment securities**

Marketable and investment securities are classified and accounted for, depending on management's intent, as follows:

Marketable available-for-sale securities are reported at fair value, with unrealized gains and losses, net of applicable taxes, reported in a separate component of equity.

Nonmarketable available-for-sale securities are stated at cost, determined by the moving-average method.

For other-than-temporary declines in fair value, investment securities are reduced to net realizable value by a charge to income.

**e) Property and equipment**

Property and equipment are stated at cost. Depreciation is mainly calculated by the straight-line method over the estimated useful lives of the respective assets.

**f) Mineral rights**

Mineral rights are carried at cost, less accumulated amortization, which is calculated by the straight-line method over the duration of the petroleum production period, mainly fixed within a contract with the government.

**g) Allowance for exploration expenditures**

The costs that have been invested in exploration activities, such as geological and geophysical expenses, drilling, and other administration, are capitalized as exploration expenditures in intangible assets. An allowance for exploration expenditures is provided for future possible loss on exploration expenditures in the case of failure in exploration considering the possibility of recovery of exploration expenditures, as there is a fairly low probability of success of exploration before approval for development by oil-producing countries. Moreover, an allowance for exploration expenditures that is incurred before the decision to transition to development has occurred is maintained until commencement of selling and realization of profitability for activities that are still in the development stage because of uncertainty.

Furthermore, an allowance for exploration expenditures is also provided for mineral rights, which includes a signature bonus and so on, associated with the conclusion of a contract with the government.

**h) Long-lived assets**

The Group reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or asset group may not be recoverable. An impairment loss is recognized if the carrying amount of an asset or asset group exceeds the sum of the undiscounted future cash flows expected to result from the continued use and eventual disposition of the asset or asset group. The impairment loss is measured as the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the discounted cash flows from the continued use and eventual disposition of the asset or the net selling price at disposition.

**i) Liability for retirement benefits**

Liability for retirement benefits is based on benefit reserves and plan assets in the actuarial report at the consolidated balance sheet date.

**j) Retirement allowance for directors and audit & supervisory board members**

Retirement allowance for directors and audit & supervisory board members is recorded to state the liability at the amount that would be required if all directors and audit & supervisory board members retired at each consolidated balance sheet date. Retirement allowances for directors and audit & supervisory board members are paid subject to approval of the shareholders in accordance with the Companies Act.

**k) Income taxes**

The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. Deferred taxes are measured by applying currently enacted tax laws to the temporary differences.

**l) Foreign currency transactions**

All short-term and long-term monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the exchange rates at the consolidated balance sheet date. The foreign exchange gains and losses from translation are recognized in the consolidated statement of income.

**m) Foreign currency financial statements**

The assets, liabilities, revenue, and expense accounts of overseas subsidiaries are translated into yen at the exchange rates of their balance sheet dates, and the differences arising from the translation are presented as "Foreign currency translation adjustments" in equity.

Differences arising from such translation are divided into "Foreign currency translation adjustments" and "Noncontrolling interests" in a separate component of equity.

**n) Derivatives**

The Group uses derivative financial instruments to manage its exposures to fluctuations in foreign exchange rates and commodity prices. Derivatives are stated at fair value, and realized gains and losses on derivative transactions are recognized in the consolidated statement of income.

**o) Per share information**

Net income per share attributable to owners of the parent is calculated by dividing profit attributable to owners of the parent by the weighted-average number of common stock outstanding during the reporting period.

Cash dividends per share presented in the accompanying consolidated statement of income are dividends applicable to the respective years, including dividends to be paid after the end of the year.

**p) Hedge activities**

Hedging activities are accounted for on a deferred basis.

**q) Change in accounting estimates**

For the year ended March 31, 2020, the Group has changed the accounting estimate of expenses related to the removal cost of some facilities producing crude oil and natural gas because it was found that the estimated removal expenses have increased due to an increase in the unit costs of each process of the removal of facilities in Thailand. Because of this change in accounting estimate, the Group revised asset retirement obligations and added ¥21,015 million (\$193,099 thousand) from the amount of the liability for asset retirement obligations. Also, gross profit and operating income respectively decreased by ¥261 million (\$2,397 thousand) and income before income taxes decreased by ¥20,150 million (\$185,154 thousand). Meanwhile, the Group recorded the increase of depreciation for changes in estimate for asset retirement obligations of depreciated asset in previous years of ¥19,889 million (\$182,756 thousand) as "Loss on write-off of asset retirement obligation of fully depreciated assets related to change in accounting estimate".

This change in accounting estimate will result in a decrease to income before income taxes of ¥1,192 million (\$10,952 thousand) in subsequent years.



### 3. Accumulated Depreciation and impairment

Accumulated depreciation and impairment of property and equipment for the years ended March 31, 2020 and 2019, were as follows:

	Millions of yen		Thousands of U.S. dollars
	March 31, 2020	March 31, 2019	March 31, 2020
Accumulated depreciation and impairment of property and equipment	¥633,781	¥597,134	\$5,823,592

### 4. Asset Retirement Obligations

The Group has estimated expenses to remove some facilities producing crude oil and natural gas in Thailand and recorded asset retirement obligations, which are expected to be incurred at the time of termination of the projects in the Gulf of Thailand. The discount rate is the distribution rate of U.S. Treasury Bills.

The changes in asset retirement obligations for the years ended March 31, 2020 and 2019, were as follows:

	Millions of yen		Thousands of U.S. dollars
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020
Balance at beginning of year	¥94,095	¥87,740	\$864,607
Additional provisions associated with acquisition of property and equipment	3,026	2,125	27,802
The decrease associated with disposition of property and equipment	(4,456)	(1,667)	(40,943)
The increase associated with change of estimate	21,015	-	193,099
Adjustment associated with passage of time	2,697	2,617	24,785
Foreign currency translation adjustments	(1,890)	3,280	(17,366)
Balance at end of year	¥114,487	¥94,095	\$1,051,983

### 5. Equity

Japanese companies are subject to the Companies Act. The Companies Act requires that an amount equal to 10% of dividends must be appropriated as a legal reserve (a component of retained earnings) or as additional paid-in capital (a component of capital surplus) depending on the equity account charged upon the payment of such dividends until the total aggregate amount of legal reserve and additional paid-in capital equals 25% of the amount of common stock.

### 6. Contingent Liabilities

On March 31, 2020, MOECO had the following contingent liabilities:

#### (1) Guarantees of indebtedness of an affiliated company

MOECO provides guarantees to the financial institutions in relation to the borrowing of MOECO's affiliated company amounting to ¥16,117million (\$148,091 thousand).

Mitsui & Co., Ltd. (the "Parent") provides guarantees to the financial institutions in relation to the borrowing of MOECO's affiliated company and MOECO guarantees its equity interest percentages of the affiliated company to the Parent amounting to ¥76,705 million (\$704,818 thousand).

(2) Revolving guarantees of contract performance bond of an affiliated company

The Parent provides revolving guarantees to the operator in relation to the contract performance of MOECO's affiliated company and MOECO guarantees its equity interest percentages of the affiliated company to the Parent amounting to a maximum limit of ¥4,408 million (\$40,507 thousand).

The JV partner provides revolving guarantees to the operator in relation to the contract performance of MOECO's affiliated company and MOECO guarantees its equity interest percentages of the affiliated company to the JV partner amounting to a maximum limit of ¥1,360 million (\$12,500 thousand).

The financial institutions provide revolving guarantees to the operator in relation to the contract performance of MOECO's affiliated company and MOECO guarantees its equity interest percentages of the affiliated company to the financial institutions amounting to a maximum limit of ¥364 million (\$3,345 thousand).

## **7. Financial Instruments and Related Disclosures**

(1) Policy for financial instruments

The Group emphasizes capital safety and liquidity in its fund management. Cash surpluses, if any, are invested in time deposits and short-term investments. Fund procurement is mainly operated by bank loans. Derivatives are used not for speculative purposes, but to manage exposure to financial risks.

(2) Nature and extent of risks arising from financial instruments and risk management

Receivables, such as trade accounts, are exposed to customer credit risk. The Group manages credit risk from receivables on the basis of internal guidelines.

Securities mainly consist of equity securities. Marketable and investment securities are managed by monitoring market values and financial position of issuers on a regular basis.

Debt loans are short-term debt incurred as temporary bridging funds and long-term debt for projects related development and production.

Derivatives include commodity contracts for sale of oil and condensate, which are used to manage exposure to market risks from changes in sales price. The Group limits the counterparties to these contracts to major financial institutions and manages its credit risk at a low level.

(3) Fair values of financial instruments

(a) Fair values of financial instruments

March 31, 2020	Millions of yen		
	Carrying amount	Fair value	Unrealized gain
Cash and cash equivalents	¥338,096	¥338,096	-
Receivables-trade	11,753	11,753	-
Marketable securities and investment securities	15,649	15,649	-
Short-term debt	(1,300)	(1,300)	-
Current portion of long-term debt	(2,989)	(2,989)	-
Accounts payable	(6,648)	(6,648)	-
Income taxes payable	(18,535)	(18,535)	-
Accrued expenses	(4,205)	(4,205)	-
Deposits received	(146)	(146)	-
Long-term debt	(12,380)	(12,380)	-
Long-term accounts payable	(2,063)	(2,045)	¥18
Derivatives	35	35	-
<b>Total</b>	<b>¥317,266</b>	<b>¥317,284</b>	<b>¥18</b>

March 31, 2019	Millions of yen		
	Carrying amount	Fair value	Unrealized gain
Cash and cash equivalents	¥283,820	¥283,820	-
Receivables-trade	20,484	20,484	-
Marketable securities and investment securities	32,640	32,640	-
Short-term debt	(1,300)	(1,300)	-
Current portion of long-term debt	(3,029)	(3,029)	-
Accounts payable	(7,020)	(7,020)	-
Income taxes payable	(20,680)	(20,680)	-
Accrued expenses	(2,775)	(2,775)	-
Deposits received	(21)	(21)	-
Long-term debt	(15,572)	(15,572)	-
Long-term accounts payable	(4,213)	(4,082)	¥131
Derivatives	28	28	-
<b>Total</b>	<b>¥282,362</b>	<b>¥282,493</b>	<b>¥131</b>

March 31, 2020	Thousands of U.S. dollars		
	Carrying amount	Fair value	Unrealized gain
Cash and cash equivalents	\$3,106,643	\$3,106,643	-
Receivables-trade	107,994	107,994	-
Marketable securities and investment securities	143,789	143,789	-
Short-term debt	(11,945)	(11,945)	-
Current portion of long-term debt	(27,469)	(27,469)	-
Accounts payable	(61,088)	(61,088)	-
Income taxes payable	(170,309)	(170,309)	-
Accrued expenses	(38,638)	(38,638)	-
Deposits received	(1,345)	(1,345)	-
Long-term debt	(113,757)	(113,757)	-
Long-term accounts payable	(18,958)	(18,794)	\$164
Derivatives	325	325	-
<b>Total</b>	<b>\$2,915,242</b>	<b>\$2,915,406</b>	<b>\$164</b>

The carrying values of cash and cash equivalents, receivables (trade), short-term debt, accounts payable, income taxes payable, accrued expenses and deposits received approximate fair value because of their short maturities.

Marketable securities and investment securities are based on quoted prices in active markets.

The carrying values of current portion of long-term debt and long-term debt with floating interest rates approximate fair values because the interest rates of the debt are variable and reflect market interest rates for a short period, and the credit standing of MOECO does not vary greatly.

The fair value of long-term accounts payable is calculated by discounting estimated cash flows in the future at the London Interbank Offered Rate, plus our credit spread.

The derivatives are presented on a net basis. The fair value of derivatives is based on quoted prices which are provided by the financial institutions.

(b) Financial instruments whose fair value cannot be reliably determined

	Carrying amount		
	Millions of yen		Thousands of U.S. dollars
	March 31, 2020	March 31, 2019	March 31, 2020
Unlisted shares	¥65,289	¥61,895	\$599,913

## 8. Other information

Impairment losses are mainly related to impairment losses on fixed assets due to significant decline in oil price, and in calculating the recoverable amounts, the effects of new coronavirus disease (COVID-19), etc. are also taken into consideration.

## 9. Significant Non-cash Transactions

	Millions of yen		Thousands of U.S. dollars
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020
Asset retirement obligations	¥24,041	¥2,125	\$220,900