

Consolidated Financial Results for the Nine Months ended December 31, 2018 [Japanese GAAP]

February 12, 2019

Note: The following report is an English translation of the Japanese-language original.

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 Meeting of quarterly financial results presentation : No

(Amounts less than one million yen are rounded off)

1. Consolidated Financial Results for the Nine Months ended December 31, 2018 (April 1, 2018-December 31, 2018)

(1) Consolidated operating results

(Figures in % represent the changes from the corresponding period of the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
For the nine months ended December 31, 2018	700,544	(0.4)	352,653	22.5	378,053	22.6	62,600	17.2
December 31, 2017	703,667	12.9	287,899	22.1	308,299	20.2	53,409	11.4

(Note): Consolidated comprehensive income: for the nine months ended December 31, 2018, ¥117,803 million; (72.2%)
 for the nine months ended December 31, 2017, ¥68,393 million; (-%)

	Net income per share—basic	Net income per share—diluted
For the nine months ended	Yen	Yen
December 31, 2018	42.87	—
December 31, 2017	36.57	—

(2) Consolidated financial position

	Total assets	Net assets	Net assets excluding non-controlling interests as a percentage of total assets
	Millions of Yen	Millions of Yen	%
As of December 31, 2018	4,821,442	3,249,916	62.2
As of March 31, 2018	4,252,386	3,158,868	68.6

(Reference): Net assets excluding non-controlling interests: as of December 31, 2018, ¥2,998,316 million
 as of March 31, 2018, ¥2,916,680 million

2. Dividends

	Cash dividends per share				
	At 1st quarter end	At 2nd quarter end	At 3rd quarter end	At fiscal year end	Total
	Yen	Yen	Yen	Yen	Yen
For the year ended March 31, 2018	—	9.00	—	9.00	18.00
For the year ending March 31, 2019	—	9.00	—		
For the year ending March 31, 2019 (forecast)				15.00	24.00

(Note): 1. Changes in projected dividends for the year ending March 31, 2019 from the previous forecast: None
 2. Breakdown of year-end dividend (forecast) for the year ending March 31, 2019: Ordinary dividend of 9.00 yen Commemorative dividend of 6.00 yen
 3. "Dividends" as stated above refer to common stock. For information regarding Class A stock (not listed), please refer to Exhibit "Dividends of Class A stock".

3. Forecasted Consolidated Financial Results for the year ending March 31, 2019 (April 1, 2018-March 31, 2019)

(Figures in % represent the changes from the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Net income per share
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
For the year ending March 31, 2019	971,000	4.0	466,000	30.4	493,000	27.3	82,000	103.2	56.15

(Note): Changes in forecasted consolidated financial results for the year ending March 31, 2019 from the previous forecast: Yes

Notes

(1) Significant changes in scope of consolidation : None
(Changes in the specified subsidiaries during the period due to change in scope of consolidation)

(2) Adoption of accounting treatments which are exceptional for quarterly consolidated financial statements : None

(3) Changes in accounting policies, accounting estimates and restatement of corrections

1. Changes in accounting policies resulting from the revision of the accounting standards and other regulations : None
2. Other changes in accounting policies : None
3. Changes in accounting estimates : None
4. Restatement of corrections : None

(4) Number of shares issued (Common stock)

1. Number of shares issued at the end of the period (including treasury stock): 1,462,323,600 shares as of December 31, 2018
1,462,323,600 shares as of March 31, 2018
2. Number of treasury stock at the end of the period: 2,123,800 shares as of December 31, 2018
1,966,500 shares as of March 31, 2018
3. Average number of shares: 1,460,278,450 shares for the nine months ended December 31, 2018
1,460,357,100 shares for the nine months ended December 31, 2017

(Note): As of December 31, 2018, 157,300 shares of "the Board Incentive Plan Trust" are included in number of treasury stock at the end of the period.

*This quarterly earnings report is not subject to audit by certified public accountants or audit firms.

*Explanation regarding the appropriate use of estimated consolidated financial results

The aforementioned forecasts are based on the currently available information and contain many uncertainties. The final results might be significantly different from the aforementioned forecasts due to changes in business conditions including oil and natural gas price levels, production and sales plans, project development schedules, government regulations and financial and tax schemes. Please refer to "1.(3) Explanation regarding future forecast information such as Forecasts for Consolidated Financial Results" on page 4.

Exhibit:

Dividends of Class A stock

	Cash dividends per share				
	At 1st quarter end	At 2nd quarter end	At 3rd quarter end	At fiscal year end	Total
	Yen	Yen	Yen	Yen	Yen
For the year ended March 31, 2018	—	3,600.00	—	3,600.00	7,200.00
For the year ending March 31, 2019	—	3,600.00	—		
For the year ending March 31, 2019(forecast)				6,000.00	9,600.00

- (Note): 1. Breakdown of year-end dividend (forecast) for the year ending March 31, 2019: Ordinary dividend of 3,600.00 yen
Commemorative dividend: 2,400.00 yen
2. The Company conducted a stock split at a ratio of 1:400 of common stock effective October 1, 2013. However, for Class A stock (not listed), no stock split was implemented. The article specifying that dividends of Class A stock are equivalent to dividends of common stock prior to the stock split is included in the Articles of Incorporation.

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1. Qualitative Information/Financial Statements

(1) Explanation on Consolidated Financial Results

Net sales for the nine months ended December 31, 2018 decreased by ¥3.1 billion, or 0.4%, to ¥700.5 billion from the corresponding period of the previous fiscal year due to a decrease in sales volume, despite an increase in sales price of crude oil.

Net sales of crude oil increased by ¥49.6 billion, or 9.3%, to ¥580.8 billion, and net sales of natural gas decreased by ¥55.0 billion, or 33.9%, to ¥107.4 billion.

Sales volume of crude oil decreased by 14,728 thousand barrels, or 16.8%, to 73,053 thousand barrels. Sales volume of natural gas decreased by 69,759 million cf, or 32.7%, to 143,409 million cf. Sales volume of overseas natural gas decreased by 71,914 million cf, or 45.4%, to 86,395 million cf, and sales volume of domestic natural gas increased by 58 million m³, or 3.9%, to 1,528 million m³ (57,014 million cf).

The average sales price of overseas crude oil increased by US\$18.10, or 33.6%, to US\$71.96 per barrel. In addition, the average sales price of overseas natural gas decreased by US\$2.15, or 42.4%, to US\$2.92 per thousand cf. Meanwhile, the average sales price of domestic natural gas increased by ¥5.46, or 11.8%, to ¥51.55 per m³. The average exchange rate of the Japanese yen against the U.S. dollar on consolidated net sales appreciated by ¥1.35, or 1.2%, to ¥110.39 per U.S. dollar from the corresponding period of the previous fiscal year.

The decrease of ¥3.1 billion in net sales was mainly derived from the following factors: regarding net sales of crude oil and natural gas, a decrease in sales volume pushing sales down of ¥131.2 billion, an increase in unit sales price contributing ¥133.8 billion to the increase, the appreciation of the Japanese yen against the U.S. dollar pushing sales down of ¥7.9 billion, and an increase in net sales excluding crude oil and natural gas of ¥2.2 billion.

Cost of sales for the nine months ended December 31, 2018 decreased by ¥63.6 billion, or 17.9%, to ¥291.0 billion. Exploration expenses increased by ¥1.7 billion, or 99.9%, to ¥3.4 billion. Selling, general and administrative expenses decreased by ¥6.0 billion, or 10.1%, to ¥53.3 billion. As a result, operating income increased by ¥64.7 billion, or 22.5%, to ¥352.6 billion.

Other income increased by ¥14.7 billion, or 48.0%, to ¥45.6 billion due to an increase in equity in earnings of affiliates and others. Other expenses increased by ¥9.7 billion, or 93.8%, to ¥20.2 billion. As a result, ordinary income and income before income taxes increased by ¥69.7 billion, or 22.6%, to ¥378.0 billion.

Total amount of current income taxes and deferred income taxes increased by ¥57.6 billion, or 23.2%, to ¥306.3 billion, net income increased by ¥12.1 billion, or 20.4%, to ¥71.6 billion, and net income attributable to non-controlling interests was ¥9.0 billion. As a result of the above effects, net income attributable to owners of parent for the nine months ended December 31, 2018 increased by ¥9.1 billion, or 17.2%, to ¥62.6 billion.

Financial results by segment are as follows:

1) Japan

Net sales increased by ¥13.7 billion, or 16.7%, to ¥95.9 billion due to increases in sales volume and sales price of natural gas. Operating income increased by ¥3.1 billion, or 16.9%, to ¥21.8 billion.

2) Asia & Oceania

Net sales decreased by ¥85.0 billion, or 64.6%, to ¥46.6 billion due to a decrease in sales volume, despite an increase in sales price of crude oil. Operating income decreased by ¥17.3 billion, or 61.2%, to ¥11.0 billion.

3) Eurasia (Europe & NIS)

Net sales increased by ¥22.0 billion, or 33.3%, to ¥88.4 billion due to increases in sales volume and sales price of crude oil. Operating income increased by ¥6.0 billion, or 31.4%, to ¥25.5 billion.

4) Middle East & Africa

Net sales increased by ¥47.3 billion, or 11.4%, to ¥462.5 billion due to an increase in sales price of crude oil, despite a decrease in sales volume. Operating income increased by ¥77.9 billion, or 33.0%, to ¥314.0 billion.

5) Americas

Net sales decreased by ¥1.2 billion, or 15.0%, to ¥6.9 billion due to a decrease in sales volume, despite an increase in sales price of crude oil. Operating loss increased by ¥0.4 billion, or 9.1%, to ¥4.8 billion.

(2) Explanation on Consolidated Financial Position

Total assets as of December 31, 2018 increased by ¥569.0 billion to ¥4,821.4 billion from ¥4,252.3 billion as of March 31, 2018. Current assets decreased by ¥11.3 billion to ¥455.0 billion due to decreases in cash and deposits and others. Fixed assets increased by ¥580.3 billion to ¥4,366.3 billion due to increases in tangible fixed assets, investments and other assets and others. Meanwhile, total liabilities increased by ¥478.0 billion to ¥1,571.5 billion from ¥1,093.5 billion as of March 31, 2018. Current liabilities increased by ¥178.9 billion to ¥484.3 billion and long-term liabilities increased by ¥299.0 billion to ¥1,087.1 billion. Net assets increased by ¥91.0 billion to ¥3,249.9 billion. Total shareholders' equity increased by ¥36.1 billion to ¥2,604.3 billion. Total accumulated other comprehensive income increased by ¥45.5 billion to ¥393.9 billion and non-controlling interests in net assets increased by ¥9.4 billion to ¥251.5 billion.

The above comparisons to the previous fiscal year are made on the condition that "Partial Amendments to Accounting Standard for Tax Effect Accounting"(ASBJ Statement No. 28, February 16, 2018) was adopted from the beginning of the first quarter of this fiscal year, and such amendments was also retrospectively applied to the balances as of the end of previous fiscal year.

Cash and cash equivalents as of December 31, 2018 totaled ¥218.1 billion reflecting a net decrease of ¥57.9 billion from ¥276.0 billion at the end of the previous fiscal year.

Cash flows from operating activities, investing activities and financing activities are as follows:

1) Cash flows from operating activities

Net cash provided by operating activities decreased by ¥76.7 billion to ¥135.1 billion from the corresponding period of the previous fiscal year. This is due mainly to an increase in income taxes paid.

2) Cash flows from investing activities

Net cash used in investing activities increased by ¥503.6 billion to ¥639.8 billion from the corresponding period of the previous fiscal year. This is due mainly to a decrease of proceeds from time deposits and an increase in long-term loans made.

3) Cash flows from financing activities

Net cash provided by financing activities increased by ¥433.1 billion to ¥447.6 billion from the corresponding period of the previous fiscal year. This is due mainly to an increase in proceeds from long-term debt.

(3) Explanation regarding future forecast information such as Forecasts for Consolidated Financial Results

Consolidated financial forecasts for the year ending March 31, 2019, in particular the forecast for net income attributable to owners of parent, announced on November 7, 2018 have been revised taking into consideration the consolidated financial results for the nine months ended December 31, 2018, an increase in the expected revenue generated from the Ichthys LNG Project in the three months ending March 31, 2019 and a net loss attributable to non-controlling interests for the fiscal year ending March 31, 2019, among other factors.

The impact of a one-off loss in the Americas segment and others expected in the 4th quarter of the current fiscal year has been factored into the forecast for net income attributable to owners of parent for the fiscal year ending March 31, 2019.

Forecasts for consolidated financial results for the year ending March 31, 2019

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent
Previous Forecasts: A	1,001,000	476,000	487,000	60,000
Revised Forecasts: B	971,000	466,000	493,000	82,000
Increase (Decrease): B-A	(30,000)	(10,000)	6,000	22,000
Percentage change (%)	(3.0)	(2.1)	1.2	36.7

The above forecasts are calculated based on the following assumptions:

	Previous Forecasts	Revised Forecasts
Crude oil price (Brent)	1st Half: US\$ 75.4/bbl (Actual) 2nd Half: US\$ 70.0/bbl Full Year: US\$ 72.7/bbl (Average)	1st Half: US\$ 75.4/bbl (Actual) 2nd Half: US\$ 64.3/bbl Full Year: US\$ 69.9/bbl (Average)
Exchange rate	1st Half: ¥110.3/US\$ (Actual) 2nd Half: ¥110.0/US\$ Full Year: ¥110.1/US\$ (Average)	1st Half: ¥110.3/US\$ (Actual) 2nd Half: ¥111.5/US\$ Full Year: ¥110.9/US\$ (Average)

Note: Crude oil prices at which the Company sells products vary depending on crude oil type, and differ from Brent crude oil prices. Crude oil price differences are determined by the quality of each crude oil type, etc., and are also affected by market conditions.

2. Consolidated Financial Statements and Principal Notes

(1) Consolidated Balance Sheet

(Millions of yen)

Accounts	As of March 31, 2018	As of December 31, 2018
(Assets)		
Current assets		
Cash and deposits	276,102	234,811
Accounts receivable-trade	66,900	105,005
Inventories	32,321	39,155
Other	112,011	98,451
Less allowance for doubtful accounts	(20,984)	(22,375)
Total current assets	466,350	455,048
Fixed assets		
Tangible fixed assets		
Buildings and structures, net	201,045	189,506
Wells, net	38,323	201,201
Machinery, equipment and vehicles, net	99,472	1,272,542
Land	19,098	19,116
Construction in progress	1,678,743	608,204
Other, net	7,936	6,605
Total tangible fixed assets	2,044,619	2,297,177
Intangible assets		
Goodwill	54,037	48,966
Other	487,465	483,439
Total intangible assets	541,502	532,406
Investments and other assets		
Investment securities	367,417	408,182
Long-term loans receivable	295,861	592,346
Recoverable accounts under production sharing	589,098	584,352
Other	31,675	40,084
Less allowance for doubtful accounts	(849)	(826)
Less allowance for recoverable accounts under production sharing	(81,625)	(84,852)
Less allowance for investments in exploration	(1,664)	(2,476)
Total investments and other assets	1,199,913	1,536,809
Total fixed assets	3,786,035	4,366,393
Total assets	4,252,386	4,821,442

(Millions of yen)

Accounts	As of March 31, 2018	As of December 31, 2018
(Liabilities)		
Current liabilities		
Accounts payable-trade	45,675	32,776
Short-term loans	71,250	149,158
Commercial papers	—	108,000
Income taxes payable	17,234	29,661
Provision for loss on business	9,887	9,969
Provision for exploration projects	4,005	4,813
Accrued bonuses to officers	62	47
Asset retirement obligations	407	293
Other	156,915	149,663
Total current liabilities	305,439	484,384
Long-term liabilities		
Long-term debt	627,326	936,331
Provision for stocks payment	—	14
Accrued special repair and maintenance	380	413
Liability for retirement benefits	5,937	6,164
Asset retirement obligations	111,128	109,456
Other	43,305	34,760
Total long-term liabilities	788,078	1,087,141
Total liabilities	1,093,517	1,571,525
(Net assets)		
Shareholders' equity		
Common stock	290,809	290,809
Capital surplus	673,574	673,574
Retained earnings	1,609,094	1,645,407
Treasury stock	(5,248)	(5,434)
Total shareholders' equity	2,568,230	2,604,357
Accumulated other comprehensive income		
Unrealized holding gain (loss) on securities	10,217	2,649
Unrealized gain (loss) from hedging instruments	25,724	20,760
Translation adjustments	312,507	370,549
Total accumulated other comprehensive income	348,449	393,959
Non-controlling interests	242,188	251,599
Total net assets	3,158,868	3,249,916
Total liabilities and net assets	4,252,386	4,821,442

(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income
Consolidated Statement of Income

(Millions of yen)

Accounts	For the nine months ended December 31, 2017	For the nine months ended December 31, 2018
Net sales	703,667	700,544
Cost of sales	354,655	291,045
Gross profit	349,012	409,498
Exploration expenses	1,746	3,490
Selling, general and administrative expenses	59,366	53,354
Operating income	287,899	352,653
Other income		
Interest income	5,851	6,748
Dividend income	2,765	2,259
Equity in earnings of affiliates	2,646	17,669
Gain on reversal of allowance for recoverable accounts under production sharing	11,243	—
Foreign exchange gain	757	3,245
Other	7,570	15,699
Total other income	30,834	45,623
Other expenses		
Interest expense	5,080	10,468
Provision for allowance for recoverable accounts under production sharing	—	3,209
Other	5,354	6,544
Total other expenses	10,435	20,222
Ordinary income	308,299	378,053
Income before income taxes	308,299	378,053
Income taxes-current	247,077	305,189
Income taxes-deferred	1,700	1,198
Total income taxes	248,778	306,387
Net income	59,520	71,665
Net income (loss) attributable to non-controlling interests	6,111	9,065
Net income attributable to owners of parent	53,409	62,600

Consolidated Statement of Comprehensive Income

(Millions of yen)

Accounts	For the nine months ended December 31, 2017	For the nine months ended December 31, 2018
Net income	59,520	71,665
Other comprehensive income		
Unrealized holding gain (loss) on securities	9,624	(7,554)
Translation adjustments	(6,659)	57,867
Share of other comprehensive income of associates accounted for by the equity method	5,907	(4,175)
Total other comprehensive income	8,872	46,137
Comprehensive income	68,393	117,803
Total comprehensive income attributable to		
Owners of parent	63,733	108,109
Non-controlling interests	4,659	9,693

(3) Consolidated Statement of Cash Flows

(Millions of yen)

Accounts	For the nine months ended December 31, 2017	For the nine months ended December 31, 2018
Cash flows from operating activities		
Income before income taxes	308,299	378,053
Depreciation and amortization	69,735	69,489
Amortization of goodwill	5,070	5,070
Provision for allowance for recoverable accounts under production sharing	(14,767)	3,227
Provision for exploration projects	(163)	757
Other provisions	5,895	2,227
Liability for retirement benefits	60	281
Interest and dividend income	(8,617)	(9,008)
Interest expense	5,080	10,468
Foreign exchange loss (gain)	(741)	(1,419)
Equity in losses (earnings) of affiliates	(2,646)	(17,669)
Recovery of recoverable accounts under production sharing (capital expenditures)	52,264	24,370
Recoverable accounts under production sharing (operating expenditures)	4,801	5,611
Accounts receivable-trade	(21,819)	(38,232)
Inventories	(4,139)	(9,196)
Accounts payable-trade	(396)	(12,856)
Other	23,238	(4,762)
Subtotal	421,152	406,412
Interest and dividends received	21,528	15,124
Interest paid	(2,284)	(4,741)
Income taxes paid	(228,467)	(281,597)
Net cash provided by (used in) operating activities	211,929	135,198

(Millions of yen)

Accounts	For the nine months ended December 31, 2017	For the nine months ended December 31, 2018
Cash flows from investing activities		
Payments for time deposits	(261,936)	(250,110)
Proceeds from time deposits	579,092	233,438
Payments for purchases of tangible fixed assets	(204,399)	(163,412)
Proceeds from sales of tangible fixed assets	62	46
Payments for purchases of intangible assets	(1,193)	(409)
Payments for purchases of investment securities	(128,499)	(83,696)
Investment in recoverable accounts under production sharing (capital expenditures)	(19,827)	(27,439)
Decrease (increase) in short-term loans receivable	457	693
Long-term loans made	(112,237)	(263,077)
Collection of long-term loans receivable	253	256
Payments for purchases of mining rights	(728)	(105,800)
Other	12,796	19,711
Net cash provided by (used in) investing activities	(136,161)	(639,801)
Cash flows from financing activities		
Increase (decrease) in commercial papers	—	108,000
Increase (decrease) in short-term loans	(40)	23,480
Proceeds from long-term debt	77,612	392,138
Repayments of long-term debt	(34,124)	(45,591)
Proceeds from non-controlling interests for additional shares	—	2,030
Cash dividends paid	(26,294)	(26,295)
Cash dividends paid to non-controlling interests	(2,523)	(5,832)
Other	(61)	(234)
Net cash provided by (used in) financing activities	14,567	447,695
Effect of exchange rate changes on cash and cash equivalents	787	(1,020)
Net increase (decrease) in cash and cash equivalents	91,123	(57,927)
Cash and cash equivalents at beginning of the period	316,790	276,079
Cash and cash equivalents at end of the period	407,914	218,151

(4) Notes to Consolidated Financial Statements

(Conditions or events that indicate there could be substantial doubt about the Company's ability to continue as a going concern)

For the nine months ended December 31, 2018 (April 1, 2018 through December 31, 2018):

None

(Note on significant changes in shareholders' equity)

For the nine months ended December 31, 2018 (April 1, 2018 through December 31, 2018):

None

(Additional information)

"Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28, February 16, 2018) was adopted from the beginning of the first quarter of this fiscal year. As a result, deferred tax assets are classified as "Investments and other assets" and deferred tax liabilities are classified as "Long-term liabilities" respectively.

(Segment information)

I. For the nine months ended December 31, 2017 (April 1, 2017 through December 31, 2017)

1. Information on sales and income (loss) by reportable segment

(Millions of yen)

	Reportable segments						Adjustments *1	Consolidated *2
	Japan	Asia & Oceania	Eurasia (Europe & NIS)	Middle East & Africa	Americas	Total		
Net sales								
Sales to third parties	82,217	131,698	66,363	415,199	8,188	703,667	—	703,667
Intercompany sales and transfers between segments	—	—	—	—	—	—	—	—
Total	82,217	131,698	66,363	415,199	8,188	703,667	—	703,667
Segment income (loss)	18,685	28,405	19,417	236,189	(4,483)	298,214	(10,315)	287,899

Note: 1. Adjustments of segment income of ¥(10,315) million include elimination of inter-segment transactions of ¥12 million and corporate expenses of ¥(10,327) million. Corporate expenses are mainly amortization of goodwill and general administrative expenses that are not allocated to a reportable segment.

2. Segment income is reconciled with operating income on the consolidated statement of income.

2. Information on impairment loss from fixed assets, goodwill and other items by reportable segment

None

II. For the nine months ended December 31, 2018 (April 1, 2018 through December 31, 2018)

1. Information on sales and income (loss) by reportable segment

(Millions of yen)

	Reportable segments						Adjustments *1	Consolidated *2
	Japan	Asia & Oceania	Eurasia (Europe & NIS)	Middle East & Africa	Americas	Total		
Net sales								
Sales to third parties	95,930	46,667	88,439	462,543	6,962	700,544	—	700,544
Intercompany sales and transfers between segments	—	1,094	—	—	—	1,094	(1,094)	—
Total	95,930	47,761	88,439	462,543	6,962	701,638	(1,094)	700,544
Segment income (loss)	21,848	11,020	25,517	314,089	(4,893)	367,582	(14,928)	352,653

Note: 1. Adjustments of segment income of ¥(14,928) million include elimination of inter-segment transactions of ¥10 million and corporate expenses of ¥(14,939) million. Corporate expenses are mainly amortization of goodwill and general administrative expenses that are not allocated to a reportable segment.

2. Segment income is reconciled with operating income on the consolidated statement of income.

2. Information on impairment loss from fixed assets, goodwill and other items by reportable segment

None

(Subsequent events)

For the nine months ended December 31, 2018 (April 1, 2018 through December 31, 2018):

None

3. Supplementary Information

(1) Production, Orders Received and Sales Performance

1) Actual production

The following table shows actual production by segment:

Segment	Category	For the nine months ended December 31, 2017	For the nine months ended December 31, 2018
Japan	Crude oil	1.0 MMbbls (3.7 Mbbls per day)	0.9 MMbbls (3.4 Mbbls per day)
	Natural gas	40.1 Bcf (145.7 MMcf per day)	35.8 Bcf (130.2 MMcf per day)
	Subtotal	8.5 MMboe (31.1 Mboe per day)	7.7 MMboe (27.8 Mboe per day)
	Iodine	415.4 tons	416.1 tons
	Electric power generation	143.7 million kWh	148.3 million kWh
Asia & Oceania	Crude oil	7.1 MMbbls (25.9 Mbbls per day)	3.2 MMbbls (11.6 Mbbls per day)
	Natural gas	125.4 Bcf (456.1 MMcf per day)	69.3 Bcf (251.8 MMcf per day)
	Subtotal	30.7 MMboe (111.6 Mboe per day)	15.2 MMboe (55.4 Mboe per day)
	Electric power generation	149.8 million kWh	323.7 million kWh
Eurasia (Europe & NIS)	Crude oil	11.3 MMbbls (41.0 Mbbls per day)	12.7 MMbbls (46.1 Mbbls per day)
	Natural gas	5.6 Bcf (20.4 MMcf per day)	7.4 Bcf (27.0 MMcf per day)
	Subtotal	12.3 MMboe (44.6 Mboe per day)	14.0 MMboe (50.9 Mboe per day)
	Sulfur	3.9 Mtons	63.6 Mtons
Middle East & Africa	Crude oil	71.7 MMbbls (260.6 Mbbls per day)	64.0 MMbbls (232.7 Mbbls per day)
Americas	Crude oil	1.6 MMbbls (5.6 Mbbls per day)	0.9 MMbbls (3.3 Mbbls per day)
	Natural gas	29.9 Bcf (108.9 MMcf per day)	25.8 Bcf (93.7 MMcf per day)
	Subtotal	6.9 MMboe (25.1 Mboe per day)	5.5 MMboe (20.1 Mboe per day)
Total	Crude oil	92.6 MMbbls (336.8 Mbbls per day)	81.7 MMbbls (297.1 Mbbls per day)
	Natural gas	201.1 Bcf (731.1 MMcf per day)	138.3 Bcf (502.7 MMcf per day)
	Subtotal	130.1 MMboe (473.0 Mboe per day)	106.4 MMboe (386.9 Mboe per day)
	Iodine	415.4 tons	416.1 tons
	Electric power generation	293.5 million kWh	472.0 million kWh
	Sulfur	3.9 Mtons	63.6 Mtons

Note: 1. The volume of LPG produced overseas is included in 'Crude oil.'

2. A portion of crude oil and natural gas production volume is consumed as fuel to generate electricity.

3. The production by the Company's affiliates accounted for by the equity method is included in the figures above.

Also the production volume is a result for the nine months ended December 31 regardless of a closing date of fiscal periods of its subsidiaries or affiliates.

4. The production volume of crude oil and natural gas under the production sharing contracts entered into by INPEX Group corresponds to the net economic take of the group.

Figures calculated by multiplying the gross production volume by the Company's interest share are 108.0 MMbbls (392.7 Mbbls per day) of crude oil, 245.4 Bcf (892.2 MMcf per day) of natural gas, and in total 153.7 MMboe (559.0 Mboe per day) for the nine months ended December 31, 2017, and 92.3 MMbbls (335.5 Mbbls per day) of crude oil, 149.4 Bcf (543.1 MMcf per day) of natural gas, and in total 118.9 MMboe (432.4 Mboe per day) for the nine months ended December 31, 2018.

5. Boe means barrels of oil equivalent.

6. Iodine is refined by other company on consignment.

7. Figures are rounded to one decimal place.

2) Orders received

Disclosure on this information is omitted because the amount of orders received is accounted for a minor portion of total sales.

3) Actual sales

The following table shows sales by segment:

(Millions of yen)

Segment	Category	For the nine months ended December 31, 2017		For the nine months ended December 31, 2018	
		Sales volume	Net sales	Sales volume	Net sales
Japan	Crude oil	703 Mbbls	4,483	589 Mbbls	5,077
	Natural gas (excluding LPG)	54,859 MMcf	67,745	57,014 MMcf	78,756
	LPG	4 Mbbls	26	3 Mbbls	24
	Other		9,962		12,071
	Subtotal		82,217		95,930
Asia & Oceania	Crude oil	6,135 Mbbls	39,685	2,811 Mbbls	21,436
	Natural gas (excluding LPG)	122,453 MMcf	86,558	52,354 MMcf	24,220
	LPG	1,090 Mbbls	5,454	165 Mbbls	1,010
	Subtotal		131,698		46,667
Eurasia (Europe & NIS)	Crude oil	10,250 Mbbls	65,377	11,167 Mbbls	86,833
	Natural gas (excluding LPG)	5,688 MMcf	964	7,424 MMcf	1,462
	Other		21		143
	Subtotal		66,363		88,439
Middle East & Africa	Crude oil	69,378 Mbbls	415,199	57,718 Mbbls	462,543
Americas	Crude oil	1,314 Mbbls	6,487	770 Mbbls	5,005
	Natural gas (excluding LPG)	30,168 MMcf	1,701	26,617 MMcf	1,956
	Subtotal		8,188		6,962
Total	Crude oil	87,781 Mbbls	531,233	73,053 Mbbls	580,898
	Natural gas (excluding LPG)	213,169 MMcf	156,970	143,409 MMcf	106,396
	LPG	1,094 Mbbls	5,480	168 Mbbls	1,035
	Other		9,984		12,214
	Total		703,667		700,544

Note: 1. The above amounts do not include the related consumption tax.

2. The Company's subsidiaries of which closing date for fiscal year is December 31 are principally consolidated their operating results for the nine months ended September 30 except those subsidiaries prepared their financial statements for consolidation purpose as of the consolidation closing date. However, the significant effects of the difference in fiscal periods were properly adjusted in consolidation.

3. Sales volumes are rounded to the nearest whole number.