This document has been translated from Japanese original for reference purposes only.
In the event of any discrepancy between these translated documents and the Japanese originals, the original shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

To Those Shareholders with Voting Rights:

Disclosure on the Internet accompanying
the Notice of the 10th Ordinary General Meeting of Shareholders

10th Fiscal Year (April 1, 2015 to March 31, 2016)
(1) Notes to Consolidated Financial Statements
(2) Notes to Non-consolidated Financial Statements

INPEX CORPORATION

The content of this document is posted on the website of INPEX CORPORATION ("the Company") (http://www.inpex.co.jp/english/), pursuant to laws, regulations, and Article 27 of the Articles of Incorporation of the Company.

Notes to Consolidated Financial Statements

[Basis of Presenting Consolidated Financial Statements]

1. Scope of consolidation
   (1) Number of consolidated subsidiaries and names of major consolidated subsidiaries
   Number of consolidated subsidiaries: 65
   Names of major subsidiaries;
   Japan Oil Development Co., Ltd., INPEX Alpha, Ltd., INPEX Natuna, Ltd., INPEX Sahul, Ltd., INPEX Southwest Caspian Sea, Ltd., INPEX Gas British Columbia Ltd., JODCO Onshore Limited, INPEX North Caspian Sea, Ltd., INPEX Browse, Ltd., INPEX Holdings Australia Pty Ltd, INPEX Ichthys Pty Ltd, INPEX Oil & Gas Australia Pty Ltd and INPEX Masela, Ltd.
   During this period:
   Number of companies newly included in the scope of consolidation: 2
   Number of companies excluded from the scope of consolidation: 2
   Details for the above changes:
   (a) JODCO Onshore Limited has been newly included due to establishment of the company.
   (b) INPEX Geothermal Sarulla, Ltd. has been newly included due to an increase in materiality of the company.
   (c) INPEX West of Shetland Limited and INPEX Nganzi DRC S.P.R.L.. have been excluded due to completion of liquidation.
   (2) Names of major non-consolidated subsidiaries
   Sakata Natural Gas, Co., Ltd., Teikoku Oil de Burgos, S.A. de C.V. and TELNITE CO., LTD.
   Reason for exclusion from the scope of consolidation
   Those companies are not consolidated because their total assets, total net sales, total net income (the equity portion) and total retained earnings (the equity portion) do not have significant impact on the consolidated financial statements.
   (3) Name of an entity that is not accounted for as our subsidiary even though the Company owns the majority vote
   Ichthys LNG Pty Ltd
   Reason for not accounted for as our subsidiary
   The Company owns the majority vote of Ichthys LNG Pty Ltd through INPEX Holdings Australia Pty Ltd. However, since both parties' affirmative votes are required for important resolutions based on the shareholders agreement between INPEX Holdings Australia Pty Ltd and TOTAL E&P Holding Ichthys, Ichthys LNG Pty Ltd is considered to be an affiliate accounted for by the equity method.

2. Application of equity method
   (1) Number of non-consolidated subsidiaries and affiliates accounted for by the equity method and names of major non-consolidated subsidiaries and affiliates accounted for by the equity method
   Number of non-consolidated subsidiaries accounted for by the equity method: None
   Number of affiliates accounted for by the equity method: 20
   Names of major affiliates:
   Angola Block 14 B.V., MI Berau B.V., Angola Japan Oil Co., Ltd., INPEX Offshore North Campos, Ltd. and Ichthys LNG Pty Ltd
   During this period:
   Number of companies newly included as affiliates accounted for by the equity method: 2
   Number of companies excluded from affiliates accounted for by the equity method: 1
   Details for the above changes:
   (a) PT Medco Geopower Sarulla and Sarulla Operations Ltd. have been newly included due to acquisition of shares.
   (b) ALBACORA JAPAO PETROLEO LTDA has been excluded due to completion of liquidation.
   (2) Names of non-consolidated subsidiaries and affiliates not accounted for by the equity method
   Names of major non-consolidated subsidiaries and affiliates:
   Sakata Natural Gas, Co., Ltd., Teikoku Oil de Burgos, S.A. de C.V., TELNITE CO., LTD. and Tangguh project management Co., Ltd.
   Reason for not applying the equity method

These subsidiaries and affiliates are not accounted for by the equity method because their total net income (the equity portion) and total retained earnings (the equity portion) do not have significant impact on the consolidated financial statements.

(3) Procedures for application of the equity method

Regarding affiliates accounted for by the equity method having a different closing date from the consolidated closing date, the Company used the financial statements of each affiliate prepared as of its closing date. For certain affiliates, however, the Company used financial statements prepared for consolidation purposes as of the consolidated closing date.

3. Closing dates for the fiscal year of consolidated subsidiaries

For the 49 companies for which the closing dates differ from the consolidated closing date, including, but not limited to, INPEX Sahul, Ltd. and INPEX Masela, Ltd., the Company uses the financial statements for the year ended December 31.

However, the necessary adjustments have been made to the financial statements of those companies to reflect any significant transactions made between the Company's closing date and those of the consolidated subsidiaries.

For the 10 companies including, but not limited to, Japan Oil Development, Co., Ltd., INPEX Southwest Caspian Sea, Ltd., INPEX North Caspian Sea, Ltd., INPEX Holdings Australia Pty Ltd and INPEX Ichthys Pty Ltd, we use their financial statements for the year ended on the consolidated closing date even though their closing date is December 31.

4. Accounting policies

(1) Valuation method for significant assets

(a) Securities

Other securities

With a determinable market value

Other securities with a determinable market value are stated at fair value with any changes in unrealized holding gain or loss, net of the applicable income taxes, included directly in net assets. Cost of securities sold is determined by the moving-average method.

Without a determinable market value

Other securities without a determinable market value are stated at cost determined by the moving-average method.

(b) Derivatives

Fair value

(c) Inventories

Overseas inventories

Carried mainly at cost, determined by the average cost method (balance sheet value is carried at the lower of cost or market)

Domestic inventories

Carried mainly at cost, determined by the moving-average method (balance sheet value is carried at the lower of cost or market)

(2) Depreciation method of significant depreciable assets

(a) Tangible fixed assets (except leased assets)

Depreciation of overseas mining facilities is mainly computed by the unit-of-production method. For other tangible fixed assets, straight-line method of depreciation is applied. Useful lives of significant fixed assets are as follows:

Buildings and structures:	2-60 years
Wells:	3 years
Machinery, equipment and vehicles:	2-22 years

(b) Intangible assets (except leased assets)

Exploration and development rights

Exploration and development rights at the exploration stage are fully amortized in the consolidated fiscal year. Such rights which are at the production stage are amortized by the unit-of-production method.

Mining rights

Mining rights are mainly amortized by the unit-of-production method.

Other

Other intangible assets are mainly amortized by the straight-line method.

Software for internal use is amortized by the straight-line method over 5 years.

(c) Leased assets

Leased assets for financing lease transactions whose ownership are not to be transferred

Depreciation of these assets is calculated based on the straight-line method over the lease period assuming no residual value.

(3) Basis for significant allowances

(a) Allowance for doubtful accounts

Allowance for doubtful accounts is provided at an amount determined based on the historical experience of bad debt with respect to ordinary receivables, plus an estimate of uncollectible amounts determined by reference to specific doubtful receivables from customers which are experiencing financial difficulties.

(b) Allowance for recoverable accounts under production sharing

Allowance for recoverable accounts under production sharing is provided for probable losses on specific investments made under production sharing contracts.

(c) Allowance for investments in exploration

Allowance for investments in exploration is provided for future potential losses on investments in exploration companies at an estimated amount based on the net assets of the investees.

(d) Provision for exploration projects

Provision for exploration projects is provided for future expenditures of consolidated subsidiaries at the exploration stage based on a schedule of investments in exploration.

(e) Accrued bonuses to officers

Accrued bonuses to officers are provided at the expected payment amount for the fiscal year.

(f) Provision for loss on business

Provision for loss on business is provided for future potential losses on crude oil and natural gas development, production and sales business individually estimated for each project.

(g) Accrued special repair and maintenance

Accrued special repair and maintenance are provided for planned major repair and maintenance activities on tanks in certain subsidiaries at the amounts accumulated through the next activity.

(4) Accounting for retirement benefits

(a) Method of attributing expected retirement benefits to proper periods

When calculating retirement benefit obligations, the benefit formula method is used for attributing expected retirement benefits to periods through March 31, 2016. Because certain subsidiaries are classified as small enterprises, a simplified method (the amount which would be required to be paid if all active employees voluntarily terminated their employment as of the balance sheet date) is applied for the calculation of the retirement benefit obligation for those subsidiaries.

(b) Method of recognizing for actuarial differences

Actuarial gains and losses are charged or credited to income as incurred.

(5) Other basis of presenting consolidated financial statements

(a) Translation of consolidated subsidiaries' significant assets and liabilities denominated in foreign currencies into yen in preparation of the consolidated financial statements

Monetary assets and liabilities denominated in foreign currencies are translated into yen at the exchange rates prevailing at the balance sheet date. The resulting exchange gain or loss is credited or charged to income. The revenue and expense accounts of the overseas subsidiaries are translated into yen at the average rates of exchange during the period. The balance sheet accounts are translated into yen at the rates of exchange in effect at the balance sheet date. Translation differences are presented as a component of translation adjustments and non-controlling interests.

(b) Accounting for major hedge transactions

1) Hedge accounting

The special treatment is applied to the interest rate swaps that meet certain criteria. For certain equity-method affiliates, the deferred hedge accounting method is adopted.

2) Hedging instruments and hedged items

Hedging instruments:	Interest rate swap transactions
Hedged items:	Interest payments on borrowings

3) Hedging policy

Derivative transactions are limited to the scope of actual demand, and the Company does not engage in speculative derivative transactions.

4) Hedge effectiveness assessment method

The Company does not perform hedge effectiveness assessment of interest rate swap transactions since the special treatment is applied.

(c) Amortization of Goodwill

Goodwill is amortized by the straight-line method over 20 years.

(d) Consumption tax

Transactions subject to the consumption tax are recorded at amounts exclusive of the consumption tax.

(e) Recoverable accounts under production sharing

Cash investments made by the Company during exploration, development and production phases under a production sharing contract are recorded as “Recoverable accounts under production sharing” so long as they are recoverable under the terms of the relevant contract. When the Company receives crude oil and natural gas in accordance with the contract, an amount corresponding to the purchase costs of the products (i.e., a cost recovery portion of the investments) is released from this account.

[Changes in Accounting Policies]

Effective from the year ended March 31, 2016, the Company has applied the "Revised Accounting Standard for Business Combinations" (Accounting Standards Board of Japan Statement No.21, issued on September 13, 2013), "Revised Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No.22, issued on September 13, 2013), "Revised Accounting Standard for Business Divestitures" (ASBJ Statement No.7, issued on September 13, 2013), and other standards. Accordingly, any difference arising from changes in the Company's ownership interest in a subsidiary when the Company retains control over the subsidiary is recognized in capital surplus, and acquisition-related costs are expensed in the fiscal year in which the costs are incurred. As for business combinations executed at or after the beginning of the year ended March 31, 2016, in cases where adjustments to the allocation of acquisition costs after the confirmation of the provisional accounting treatment are implemented, the Company will separately present the amount that will influence the balance at the beginning of the fiscal year for which such adjustment is implemented, and to present the revised balance of the beginning of the fiscal year after the amount to influence is reflected. In addition, the presentation method of net income was amended and “minority interests” was renamed “non-controlling interests”.

The Company has applied these standards from the beginning of the year ended March 31, 2016 in accordance with transitional treatments as stated in Section 58-2(4) of the “Revised Accounting Standard for Business Combinations”, Section 44-5(4) of the “Revised Accounting Standard for Consolidated Financial Statements”, and Section 57-4(4) of the “Revised Accounting Standard for Business Divestitures”.

As a result, capital surplus decreased by ¥3,014 million as of March 31, 2016. The impact on the profit and loss for the year ended March 31, 2016 was immaterial.

[Change in the Presentation]

(Consolidated Statement of Income)

“Gain on transfer of mining rights”, previously presented separately in other income, is included in “Other” since it has become less significant.

[Notes to Consolidated Balance Sheet]

1. Assets provided as collateral and collateral-backed debt are as follows:

(Collateralized assets)

Investment securities	¥7,744 million

(Collateral-backed debt)

Accounts payable-other	¥531 million

In addition, the following are pledged as collateral for the Ichthys LNG project financing and the BTC pipeline project financing.

The Ichthys LNG project financing	Millions of yen
Cash and deposits	1,507
Inventories	8,861
Other (current assets)	15,113
Land	150
Construction in progress	945,517
Total	971,150

The BTC pipeline project financing	
Investment securities	¥7,294 million

2. Accumulated depreciation

Accumulated depreciation of tangible fixed assets is ¥700,783 million.

3. Contingent liabilities

(1) The Company and its consolidated subsidiaries are contingently liable as guarantors of indebtedness of the following companies:

	Millions of yen
Ichthys LNG Pty Ltd*1	470,635
Tangguh Trustee*2	13,125
Fujian Tranche*2	4,653
Sakhalin Oil and Gas Development Co., Ltd.	1,924
Japan Canada Oil Sands Limited	1,690
INPEX Offshore North Campos, Ltd.	590
Oceanic Breeze LNG Transport S. A.	215
Employees (housing loans)	63
Total	492,898

*1 Debt for investment funds of the Ichthys LNG Project

*2 Debt for investment funds of Tangguh LNG Project through MI Berau B.V. and MI Berau Japan Ltd.

(2) Guarantee for derivatives

Ichthys LNG Pty Ltd	¥(7,643) million

The aforementioned derivative transactions are utilized to hedge exchange rate fluctuation risk regarding payments of development costs for the Ichthys LNG Project. The amount is valuation gain (loss) on the derivatives.

(3) Completion guarantee

In connection with the Ichthys LNG project financing, the Company and other project participants provide lenders with a guarantee of liabilities during the construction phase based on each participating interest in addition to collateralizing its assets.

The portion guaranteed by the Company at the end of this fiscal year was ¥901,540 million.

[Notes to Consolidated Statement of Income]

The Company groups mining area and other assets as a basic unit that generates cash inflows independently of other groups of assets. Due to impact from deteriorating business environments based on such factors as the drop in oil prices, the Company reduced the respective carrying amounts of the assets listed below to recoverable amounts, posting the reductions as impairment loss.

(Millions of yen)

Use	Location	Classification	Impairment loss
Assets related to Keathley Canyon Blocks 874/875/918/919 (Lucius Oil Field)	U.S. Gulf of Mexico	Wells Machinery, equipment and vehicles Mining rights	2,335 4,378 19,735
		Subtotal	26,450
Assets related to JPDA06-105 Block (Kitan Oil Field)	Timor Sea Joint Petroleum Development Area (JPDA), the Commonwealth of Australia / the Democratic Republic of Timor-Leste	Wells Machinery, equipment and vehicles Construction in Progress	2,701 2,517 2,184
		Subtotal	7,403
Assets related to the shale gas project in the Horn River area	British Columbia, Canada	Buildings and structures Wells Machinery, equipment and vehicles Mining rights Other	392 2,858 744 471 104
		Subtotal	4,570
Assets related to Copa Macoya Block	Bolivarian Republic of Venezuela	Buildings and structures Wells Machinery, equipment and vehicles Construction in Progress Other	73 945 76 2,587 2
		Subtotal	3,685
Assets related to Abu Al Bukhoosh Block	UAE	Buildings and structures Wells Machinery, equipment and vehicles Construction in Progress Other	75 1,201 1,294 576 42
		Subtotal	3,191
Other			583
Total			45,884

The recoverable amount of the assets related to Keathley Canyon Blocks 874/875/918/919 (Lucius Oil Field), the shale gas project in the Horn River area and Abu Al Bukhoosh Block is reasonably estimated by discounting the future cash flows at a rate of 6.5%. The recoverable amount of the assets related to JPDA06-105 Block (Kitan Oil Field) and Copa Macoya Block is estimated at zero.

[Notes to Consolidated Statement of Changes in Net Assets]

1. Type and number of shares issued and treasury stock

(Shares)

	Balance as of April 1, 2015	Increase	Decrease	Balance as of March 31, 2016
Number of shares				
Common stock	1,462,323,600	—	—	1,462,323,600
Class A stock	1	—	—	1
Total	1,462,323,601	—	—	1,462,323,601
Treasury stock				
Common stock	1,966,400	—	—	1,966,400
Total	1,966,400	—	—	1,966,400

2. Dividends

(1) Cash dividends paid

Resolution	Type of share	Cash dividends paid (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
Ordinary general meeting of shareholders June 24, 2015	Common stock	13,143	9	March 31, 2015	June 25, 2015
	Class A stock	0	3,600	March 31, 2015	June 25, 2015
Board of directors' meeting November 10, 2015	Common stock	13,143	9	September 30, 2015	December 1, 2015
	Class A stock	0	3,600	September 30, 2015	December 1, 2015

(2) Dividends, whose record date was in the year ended March 31, 2016, and whose effective date will be in the next fiscal year

Resolution	Type of share	Source of dividends	Cash dividends paid (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
Ordinary general meeting of shareholders June 28, 2016	Common stock	Retained earnings	13,143	9	March 31, 2016	June 29, 2016
	Class A stock	Retained earnings	0	3,600	March 31, 2016	June 29, 2016

[Notes to Financial Instruments]

1. Status of financial instruments

   The Company raises funds for oil and gas development and production, construction or expansion of gas infrastructure primarily from cash flow on hand and from bank loans.

   In line with the criteria for trading and credit exposure management, the Company properly analyzes the credit status of trading partners for reduction of default risks related to accounts receivable-trade of its clients. For marketable securities and investment securities exposed to market price fluctuation risk, analysis of market values is regularly reported to the Executive Committee.

   Although the Company generally borrows with variable interest rates, some loans are with fixed interest rates including interest rate swap transactions depending on the nature of each project. For exchange rate fluctuation risk related to assets and liabilities denominated in foreign currencies, the Company maintains the position between assets and liabilities in foreign currencies, and manages exchange fluctuation risk through derivative transactions such as foreign exchange forwards and others, as necessary, based on the Company's policy. For derivative transactions, the Company follows internal rules.

2. Fair value of financial instruments

   Carrying value on the consolidated balance sheet as of March 31, 2016, fair value and the difference between them are as shown below.

(Millions of yen)

	Carrying value	Fair value	Difference
(1) Cash and deposits	772,528	777,134	4,606
(2) Accounts receivable-trade	56,462	56,462	–
(3) Investment securities			
Other securities	61,423	61,423	–
Total assets	890,413	895,020	4,606
(1) Short-term loans	68,468	68,361	(107)
(2) Long-term debt	673,098	663,984	(9,113)
Total liabilities	741,567	732,346	(9,221)
Derivatives*	(270)	(270)	–

*Net claims and debts arising from derivative transactions are presented on a net basis. In case the total amount is a debt amount, the above figure is negative.

Note 1: Methods of calculating the fair value of financial instruments

Assets

(1) Cash and deposits

The fair value of current portion of long-term time deposits included in cash and deposits, is calculated by applying a discount rate to the total of principal and interest. The discount rate is based on the assumed interest rate if a similar new deposit is entered into. For the other cash and deposits, the relevant carrying value is used since the item is settled in a short period of time and its market value is almost the same as the carrying value.

(2) Accounts receivable-trade

Since the item is settled in a short period of time and its fair value is almost the same as the carrying value, the relevant carrying value is used.

(3) Investment securities

The fair value of shares is determined by the market prices of exchanges, and the fair value of bonds is determined by market prices of exchanges or the prices presented by financial institutions.

Liabilities

(1) Short-term loans

The estimated fair value of current portion of long-term debt included in short-term loans, is calculated by the same method as (2) Long-term debt. For the other short-term loans, the relevant carrying value is used since the item is settled in a short period of time and its market value is almost the same as the carrying value.

(2) Long-term debt

The estimated fair value of long-term debt is calculated by applying a discount rate to the total of principal and interest. The discount rate is based on the assumed interest rate if a similar new loan is entered into.

Derivative Transactions

Fair value is the price obtained from the counterparty financial institutions.

Fair value of derivatives for which special treatment of interest rate swaps is applied is included in the estimated fair value of the long-term debt since the interest rate swap is treated together with long-term debt subject to hedging (refer to Liabilities (2) above).

Note 2: Unlisted securities (carrying value on the consolidated balance sheet: ¥32,239 million), and stocks of subsidiaries and affiliates (carrying value on the consolidated balance sheet: ¥120,068 million) are assumed to have no quoted market prices and it is extremely difficult to determine their fair value. Accordingly, these financial instruments are not included in “Assets (3) Investment securities.” For shares of exploration companies, an allowance for investments in exploration is provided at an estimated amount based on the financial position of the investees.

[Notes to Per Share Information]

1. Net assets excluding non-controlling interests per share: ¥2,008.34
2. Net income per share: ¥11.49

Notes to Non-Consolidated Financial Statements

[Significant Accounting Policies]

1. Valuation method for assets

(1) Valuation method for securities	
Shares of subsidiaries and affiliates	Stated at cost determined by the moving-average method
Other securities	
With a determinable market value	Stated at fair value with any changes in unrealized holding gain or loss, net of the applicable income taxes, included directly in net assets. Cost of securities sold is determined by the moving-average method.
Without a determinable market value	Stated at cost determined by the moving-average method
(2) Valuation method for derivatives	
Derivatives	Fair value
(3) Valuation method for inventories	Carried at cost (balance sheet value is carried at the lower of cost or market)
Finished goods, raw materials and supplies	Determined by the moving-average method
Work in process and partly-finished construction	Stated at identified cost method

2. Depreciation method of fixed assets

Tangible fixed assets (except leased assets)	Straight-line method of depreciation is applied. Useful lives of significant fixed assets are as follows: Buildings 2-50 years Structures 2-60 years Wells 3 years Machinery and equipment 2-22 years
Intangible assets (except leased assets)	Straight-line method of amortization is applied. Goodwill is amortized over 20 years. Software for internal use is amortized over 5 years.
Leased assets	Depreciation of leased assets for financing lease transactions whose ownership are not to be transferred is calculated based on the straight-line method over the lease period assuming no residual value.

3. Basis for allowances

Allowance for doubtful accounts	Allowance for doubtful accounts is provided at an amount determined based on the historical experience of bad debt with respect to ordinary receivables, plus an estimate of uncollectible amounts determined by reference to specific doubtful receivables from customers which are experiencing financial difficulties.
Allowance for recoverable accounts under production sharing	Allowance for recoverable accounts under production sharing is provided for probable losses on specific investments made under production sharing contracts.
Allowance for investments in exploration	Allowance for investments in exploration is provided for future potential losses on investments in exploration companies at an estimated amount based on the net assets of the investees.
Accrued bonuses to officers	Accrued bonuses to officers are provided at expected payment amount for the fiscal year.
Accrued retirement benefits to employees	Accrued retirement benefits to employees are provided at the amount calculated based on the expected retirement benefit obligation and the estimated value of pension plan assets at the end of this period. Actuarial gains and losses are charged or credited to income as incurred.
Provision for loss on business	Provision for loss on business is provided for future potential losses on crude oil and natural gas development, production and sales business individually estimated for each project.
Provision for loss on business of subsidiaries and affiliates	Provision for loss on business of subsidiaries and affiliates is provided for future potential losses on business operations of subsidiaries and affiliates at an estimated amount based on the financial positions of these companies.

4. Accounting for hedge transactions

Hedge accounting	The special treatment is applied to interest rate swaps.
Hedging instruments and hedged items	Hedging instruments: Interest rate swap transactions Hedged items: Interest payments on borrowings
Hedging policy	The nominal amount of the derivative transaction is limited to within the scope of actual demand, and the Company does not engage in speculative derivative transactions.
Hedge effectiveness assessment method	The Company does not perform hedge effectiveness assessment of interest rate swap transactions since the special treatment is applied.

5. Other basis of presenting non-consolidated financial statements

Consumption tax	Transactions subject to the consumption tax are recorded at amounts exclusive of the consumption tax.
Recoverable accounts under production sharing	Cash investments made by the Company during exploration, development and production phases under a production sharing contract are recorded as “Recoverable accounts under production sharing” so long as they are recoverable under the terms of the relevant contract. When the Company receives crude oil and natural gas in accordance with the contract, an amount corresponding to the purchase costs of the products (i.e., a cost recovery portion of the investments) is released from this account.

[Changes in the Presentation]
(Non-Consolidated Statement of Income)
"Guarantee commission received" and "Interest income," included in
"Other" under "Other income," for the previous fiscal year, are presented separately for this fiscal year since they have become more significant.

[Notes to Non-Consolidated Balance Sheet]

1. Assets provided as collateral and collateral-backed debt are as follows:

(Collateralized assets)	Millions of yen
Investment in stock of subsidiaries and affiliates	4,880
Investment securities	580
Total	5,460

(Collateral-backed debt)	
Accounts payable-other	¥531 million

2. Accumulated depreciation:
   Accumulated depreciation of tangible fixed assets is ¥263,032 million.

3. Contingent liabilities
   (1) The Company is contingently liable as guarantors of indebtedness of the following companies:

	Millions of yen
Ichthys LNG Pty Ltd	486,829
INPEX North Caspian Sea, Ltd.	104,465
Tangguh Trustee*	13,125
Fujian Tranche*	4,653
INPEX Trading, Ltd.	4,262
Sakhalin Oil and Gas Development Co., Ltd.	1,924
Japan Canada Oil Sands Limited	1,690
INPEX Offshore North Campos, Ltd.	590
Oceanic Breeze LNG Transport S. A.	307
Employees (housing loans)	63
GAS GUARICO, S.A.	55
Teikoku Oil (North America) Co., Ltd.	36
Total	618,004

*Debt for investment funds of the Tangguh LNG Project through MI Berau B.V. and MI Berau Japan Ltd.

(2) Guarantee for derivatives

Ichthys LNG Pty Ltd ¥(7,643) million

The aforementioned derivative transactions are utilized to hedge exchange rate fluctuation risk regarding payments of development costs for the Ichthys LNG Project. The amount is valuation gain (loss) on the derivatives.

(3) Completion guarantee

In connection with the Ichthys LNG project financing, the Company and other project participants provide lenders with a guarantee of liabilities during the construction phase based on each participating interest. The portion guaranteed by the Company at the end of this consolidated fiscal year was ¥901,540 million.

4. Monetary assets and liabilities from/to subsidiaries and affiliates

	Millions of yen
Short-term monetary assets from subsidiaries and affiliates	202,930
Long-term monetary assets from subsidiaries and affiliates	222,426
Short-term monetary liabilities to subsidiaries and affiliates	594,744
Long-term monetary liabilities to subsidiaries and affiliates	30

[Notes to Non-Consolidated Statement of Income]

Transactions with subsidiaries and affiliates

Operating transactions	Millions of yen
Net sales	48,324
Purchases	1,117
Other operating transactions	21,613
Transactions other than operating transactions	43,637

[Notes to Non-Consolidated Statement of Changes in Net Assets]

Type and number of treasury stock at end of this period

	Shares
Common stock	1,966,400

[Notes to Tax Effect Accounting]

Significant components of deferred tax assets and liabilities

	Millions of yen
Deferred tax assets	
Allowance for investments in exploration	40,966
Loss on valuation of investment in stocks of subsidiaries and affiliates	18,359
Loss on valuation of investment securities	2,550
Loss on revaluation of land	214
Accrued retirement benefits to employees	1,972
Provision for loss on business	1,338
Provision for loss on business of subsidiaries and affiliates	1,735
Asset retirement obligations	871
Accrued bonuses to employees	695
Allowance for doubtful accounts	6,024
Allowance for recoverable accounts under production sharing	1,419
Other	2,643
Total deferred tax assets	78,792
Valuation allowance	(75,323)
Total deferred tax assets	3,468
Deferred tax liabilities	
Unrealized holding gain on securities	248
Reserve for overseas investment loss	2,840
Translation differences due to an application of purchase accounting method	1,373
Mine prospecting reserve	1,100
Reserve for special depreciation	403
Other	84
Total deferred tax liabilities	6,050
Net deferred tax liabilities	2,582

[Notes to Transactions with Related Parties]

Type	Name of related party	Voting interest (Owned)	Description of the business relationship	Transaction detail	Amounts (Millions of yen)	Accounts	Balance (Millions of yen)
Subsidiary	INPEX Trading, Ltd.	Directly 100.00% (Owned) -%	Capital subscription	Sales of crude oil (*1)	46,861	Accounts receivable-trade	2,076
	INPEX North Caspian Sea, Ltd.	Directly 45.00% (Owned) -%	Serve the officer concurrently, capital subscription	Loans of funds (*2)	—	Long-term loans receivable from subsidiaries and affiliates	37,610
				Loans of funds (*2)	—	Short-term loans receivable from subsidiaries and affiliates	2,242
				Loans of funds (*3)	—	Long-term loans receivable from subsidiaries and affiliates	7,400
				Loans of funds (denominated in US$) (*4)	20,692 (in millions of US$) 168	Short-term loans receivable from subsidiaries and affiliates	—
				Loans of funds (denominated in US$) (*5)	—	Short-term loans receivable from subsidiaries and affiliates	5,226 (in millions of US$) 46
						Long-term loans receivable from subsidiaries and affiliates	15,680 (in millions of US$) 139
				Loans of funds (denominated in US$) (*6)	1,970 (in millions of US$) 16	Long-term loans receivable from subsidiaries and affiliates	58,146 (in millions of US$) 515
				Loans of funds (denominated in US$) (*7)	—	Long-term loans receivable from subsidiaries and affiliates	39,047 (in millions of US$) 346
				Loans of funds (denominated in US$) (*8)	51,262 (in millions of US$) 428	Short-term loans receivable from subsidiaries and affiliates	30,940 (in millions of US$) 274
				Guarantee (*9)	104,465	—	—
	INPEX Natuna, Ltd.	Directly 100.00% (Owned) -%	Serve the officer concurrently, capital subscription	Cash management (*10)	—	Deposits received from subsidiaries and affiliates	36,595

Type	Name of related party	Voting interest (Owned)	Description of the business relationship	Transaction detail	Amounts (Millions of yen)	Accounts	Balance (Millions of yen)
Subsidiary	Japan Oil Development Co., Ltd	Directly 100.00% (Owned) -%	Serve the officer concurrently, capital subscription	Cash management (*10)	—	Deposits received from subsidiaries and affiliates	49,633
	INPEX Southwest Caspian Sea, Ltd.	Directly 51.00% (Owned) -%	Serve the officer concurrently, capital subscription	Cash management (*10)	—	Deposits received from subsidiaries and affiliates	180,604
	INPEX Gas British Columbia Ltd.	Directly 45.09% (Owned) -%	Capital subscription	Loans of funds (denominated in CA$) (*11)	14,588 (in millions of CA$) 167	Short-term loans receivable from subsidiaries and affiliates	14,579 (in millions of CA$) 167
				Loans of funds (denominated in CA$) (*12)	22,187 (in millions of CA$) 255	Short-term loans receivable from subsidiaries and affiliates	22,172 (in millions of CA$) 255
				Loans of funds (denominated in CA$) (*13)	2,273 (in millions of CA$) 25	Short-term loans receivable from subsidiaries and affiliates	—
	Teikoku Oil (North America) Co., Ltd.	Directly 100.00% (Owned) -%	Capital subscription	Loans of funds (denominated in US$) (*14)	—	Short-term loans receivable from subsidiaries and affiliates	47,131 (in millions of US$) 418
	INPEX Holdings Australia Pty Ltd	Indirectly 100.00% (Owned) -%	Serve the officer concurrently, capital subscription	Management of funds (*10)	—	Deposits received from subsidiaries and affiliates	260,246
	JODCO Onshore Limited	Directly 65.76% (Owned) -%	Capital subscription	Subscription of shares (*15)	70,170 (in millions of US$) 566	—	—
	INPEX Oil & Gas Australia Pty Ltd	Directly 100.00% (Owned) -%	Capital subscription	Loans of funds (denominated in US$) (*13)	—	Long-term loans receivable from subsidiaries and affiliates	45,102 (in millions of US$) 400

Type	Name of related party	Voting interest (Owned)	Description of the business relationship	Transaction detail	Amounts (Millions of yen)	Accounts	Balance (Millions of yen)
Affiliate	Ichthys LNG Pty Ltd	Indirectly 62.25% (Owned) -%	Serve the officer concurrently	Guarantee (*9)	486,829	—	—
				Guarantee (*16)	901,540	—	—
				Guarantee (*17)	(7,643)	—	—

Note 1: The Company sells crude oil to INPEX Trading, Ltd. based on its market price, in accordance with the sales of crude oil contract.

Note 2: The Company determines the interest rate based on its market interest rates upon loans of funds (denominated in JPY) in a reasonable and appropriate manner. The contract due date and the payment due date are December 17, 2024. The Company did not accept any collateral.

Note 3: The Company determines the interest rate based on its market interest rates and other contracts upon loans of funds (denominated in JPY) in a reasonable and appropriate manner. The contract due date and the payment due date are December 31, 2024. The Company did not accept any collateral.

Note 4: The Company determines the interest rate based on its market interest rates upon loans of funds (denominated in US$) in a reasonable and appropriate manner. There is no loan balance as of the end of this period because the loan was repaid on December 25, 2015. The Company did not accept any collateral.

Note 5: The Company determines the interest rate based on its market interest rates upon loans of funds (denominated in US$) in a reasonable and appropriate manner. The contract due date and the payment due date are December 17, 2019. The Company did not accept any collateral.

Note 6: The Company determines the interest rate based on its market interest rates and other contracts upon loans of funds (denominated in US$) in a reasonable and appropriate manner. The contract due date and the payment due date are December 31, 2024. The Company did not accept any collateral.

Note 7: The Company determines the interest rate based on its market interest rates upon loans of funds (denominated in US$) in a reasonable and appropriate manner. The contract due date and the payment due date are December 17, 2028. The Company did not accept any collateral.

Note 8: The Company determines the interest rate based on its market interest rates upon loans of funds (denominated in US$) in a reasonable and appropriate manner. The contract due date and the payment due date are December 25, 2016. The Company did not accept any collateral.

Note 9: This refers to the guarantee that was set against the loans from financial institutions as a fund for business development. Amount of transactions represents the balance of guarantees at the end of this period.

Note 10: The Company adopts a cash management system (hereinafter “CMS”) for the purpose of efficient fund management within the Group. The amount of funds transactions through the CMS are not stated above because it is difficult to identify the amounts by transaction details. The Company determines the interest rate based on its market interest rate.

Note 11: The Company determines the interest rate based on its market interest rates upon loans of funds (denominated in CA$) in a reasonable and appropriate manner. The contract due date and the payment due date are December 31, 2016. The Company did not accept any collateral.

Note 12: The Company determines the interest rate based on its market interest rates upon loans of funds (denominated in CA$) in a reasonable and appropriate manner. The contract due date and the payment due date are December 31, 2016. The Company did not accept any collateral.

Note 13: The Company determines the interest rate based on its market interest rates upon loans of funds (denominated in CA$) in a reasonable and appropriate manner. There is no loan balance as of the end of this period because the loan was repaid on December 22, 2015. The Company did not accept any collateral.

Note 14: With regard to loans of funds (denominated in US$), the Company adopts CMS. The amount of funds transactions through the CMS are not stated above because it is difficult to identify the amounts by transaction details. The Company determines the interest rate based on its market interest rates upon loans of funds in a reasonable and appropriate manner. The Company did not accept any collateral.

Note 15: When JODCO Onshore Limited made a capital increase through shareholder allocation, the Company undertook it at US$10,000 per share.

Note 16: This refers to the completion guarantee provided to lenders based on each participating interest of the Company in connection with the Ichthys LNG project financing. Amount of transactions represents the balance of guarantees provided by the Company at the end of this period.

Note 17: This refers to the guarantee of derivatives provided for derivative transactions which are utilized to hedge exchange rate fluctuation risk regarding payments of development costs for the Ichthys LNG Project. Amount of transactions represents valuation gain (loss) on the derivatives.

[Notes to "Per Share" information]

1. Net assets per share: ¥1,602.29
2. Net income per share: ¥5.80