

Consolidated Financial Results for the Six Months ended September 30, 2008

November 11, 2008

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

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(Amounts less than one million yen are rounded off)

1. Consolidated Financial Results for the Six Months ended September 30, 2008 (April 1, 2008-September 30, 2008)

(1) Consolidated operating results

(The percentage expressions represent the changes from the corresponding period of the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
For the six months ended September 30, 2008	741,594	—	503,721	—	479,426	—	104,028	—
September 30, 2007	554,173	10.6	325,966	9.2	321,642	9.4	81,045	25.3

	Net income per Share—basic	Net income per share—diluted
	Yen	Yen
For the six months ended September 30, 2008	44,155.91	—
September 30, 2007	34,385.24	—

(2) Consolidated financial position

	Total assets	Net assets	Net assets excluding minority interests as a percentage of total assets	Net assets excluding minority interests per share
	Million yen	Million yen	%	Yen
As of September 30, 2008	1,888,074	1,332,481	65.7	526,702.44
As of March 31, 2008	1,807,900	1,238,812	64.0	491,168.09

(Reference): Net assets excluding minority interests: As of September 30, 2008, ¥ 1,240,504 million
 As of March 31, 2008, ¥ 1,157,370 million

2. Dividends

	Cash dividends per share				
	At 1st quarter end	At 2nd quarter end	At 3rd quarter end	At fiscal year end	Total
For the year ended March 31, 2008	Yen —	Yen 3,500.00	Yen —	Yen 4,000.00	Yen 7,500.00
For the year ending March 31, 2009	—	4,000.00			8,000.00
For the year ending March 31, 2009 (estimated)			—	4,000.00	

(Reference): Changes in estimated dividends for the year ending March 31, 2009 as of September 30, 2008: No

3. Estimated Consolidated Financial Results for the year ending March 31, 2009 (April 1, 2008-March 31, 2009)

(The percentage expressions represent the changes from the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
For the year ending March 31, 2009	1,153,000	(4.2)	723,000	1.2	692,000	0.9	150,000	(13.4)	63,688.11

(Reference): Changes in estimated consolidated operating results for the year ending March 31, 2009 as of September 30, 2008: Yes

4. Others

(1) Significant changes in scope of consolidation : No

(2) Adoption of simplified accounting method or special accounting treatment for preparation of quarterly consolidated financial statements: : No

(3) Changes in accounting principles, procedures, presentations, etc., pertaining to preparation of quarterly consolidated financial statements (those to be stated as “Changes to the Basis of Presenting Consolidated Financial Statements”):

1. Changes associated with revision in accounting standards :Yes

2. Other changes: :No

Note: For more details, refer to “Other information” (page 4).

(4) Number of shares issued (Common stock)

1. Number of shares issued at the end of the period (including treasury stocks): as of September 30, 2008; 2,358,410 shares
as of March 31, 2008; 2,358,410 shares

2. Number of treasury stock at the end of the period: as of September 30, 2008; 3,182 shares
as of March 31, 2008; 2,047 shares

3. Number of average shares: for the six months ended September 30, 2008: 2,355,941 shares
for the six months ended September 30, 2007: 2,356,997 shares

Note: Since shareholder of the special class share is entitled to the same rights as that for shareholders of common stock regarding dividends and the distribution of residual property, the special class share is classified as common stock equivalent share.

*Explanation regarding the appropriate use of estimated consolidated operating results

Effective the fiscal year ending March 31, 2009, the Company applies “Accounting Standard for Quarterly Financial Statements” (ASBJ Statement No. 12) and “Implementation Guidance for Accounting Standard for Quarterly Financial Statements” (ASBJ Guidance No. 14). The Company also prepares quarterly consolidated financial statements according to “Regulations for Quarterly Consolidated Financial Statements.”

The aforementioned forecasts of “3. Estimated Consolidated Operating Results for the year ending March 31, 2009” are based on currently available information and contain many uncertainties. The final results might be significantly different from the aforementioned forecasts due to change in business conditions including oil and gas price levels, production and sales plans, projects development schedules, government regulations and financial and tax schemes. Please refer to “Qualitative Information on Estimated Consolidated Operating Results” on page 4.

1. Qualitative Information on Consolidated Financial Results

During the six months ended September 30, 2008, consolidated net sales increased by ¥187,421 million, or 33.8%, to ¥741,594 million from the corresponding period of the previous fiscal year mainly due to increase in sales price of crude oil and natural gas, despite negative effect of appreciation of Japanese yen against U.S. dollar and decrease in sales volume. Net sales of crude oil increased by ¥120,333 million, or 33.6%, to ¥478,048 million, and net sales of natural gas increased by ¥65,324 million, or 35.6% to ¥248,884 million, respectively. Sales volume of crude oil decreased by 4,670 Mbbls, or 10.9%, to 38,301 Mbbls. Sales volume of natural gas decreased by 4,734 MMcf, or 2.3%, to 197,349 MMcf. Sales volume of natural gas produced overseas decreased by 4,813 MMcf, or 2.8%, to 169,048 MMcf, and sales volume of natural gas produced domestically increased by 2 MMm³, or 0.3%, to 758 MMm³ (28,301 MMcf). The average sales price of crude oil produced overseas increased by US\$47.26 per bbl, or 68.0 %, to US\$116.73 per bbl, and the average sales price of natural gas produced overseas increased by US\$4.41 per Mcf, or 60.2%, to US\$11.73 per Mcf. In addition, the average sales price of natural gas produced domestically increased by ¥2.33, or 6.7%, to ¥37.25 per m³. The average exchange rate of Japanese yen against U.S. dollar appreciated for sales ¥13.41, or 11.2%, to ¥106.00 per U.S. dollar from the corresponding period of the previous fiscal year.

The increase of ¥187.4 billion in net sales was derived mainly from the following factors: a decrease in sales volume of crude oil and natural gas adversely affected ¥40.7 billion, an increase in unit sales price contributed ¥314.3 billion, the appreciation of Japanese yen against U.S. dollar affected adversely ¥88.0 billion and net sales excluding crude oil and natural gas increased by ¥1.7 billion.

Cost of sales for the six months ended September 30, 2008 decreased by ¥1,200 million, or 0.6%, to ¥188,455 million mainly due to decrease in cost recovery at ACG Oil Fields, despite increase in royalty at ADMA Block owing to increase in sales. Exploration expenses increased by ¥7,405 million, or 89.1%, to ¥15,722 million mainly due to exploration activities in Oceania. Selling, general and administrative expense increased by ¥3,461 million, or 11.5%, to ¥33,695 million. As a result, operating income increased by ¥177,754 million, or 54.5%, to ¥503,721 million.

Other income decreased by ¥11,336 million, or 51.4 %, to ¥10,701 million mainly due to absence of gain on redetermination of unitized field at Bayu-Undan Gas-Condensate Field, gain on taking effect of exploration and production agreement which recorded at Venezuela project, and shift from exchange gain to exchange loss in corresponding period of the previous fiscal year. Other expenses increased by ¥8,633 million, or 32.7%, to ¥34,996 million mainly due to increase in provision for allowance for recoverable accounts under production sharing resulting from exploration activities at Masela Block and foreign exchange loss. As a result, ordinary income increased by ¥157,784 million, or 49.1%, to ¥479,426 million.

Total amount of current income taxes and deferred income taxes increased by ¥139,143 million, or 60.0%, to ¥371,061 million, and minority interests were ¥4,336 million. As a result of above effects, net income for the six months ended September 30, 2008 increased by ¥22,982 million, or 28.4%, to ¥104,028 million from the corresponding period of the previous fiscal year.

Financial results of geographical segment are as follows:

(1) Japan

Net sales were ¥46,496 million and operating income was ¥16,108 million, respectively mainly due to steady domestic sales of natural gas.

(2) Asia - Oceania

Net sales were ¥286,738 million and operating income was ¥205,331 million, respectively mainly due to increase in sales price of crude oil and natural gas despite decrease in sales volume.

(3) Eurasia (Europe - NIS)

Net sales were 54,395 and operating income was ¥32,700 million, respectively mainly due to decrease in sales volume.

(4) Middle East - Africa

Net sales were ¥349,799 million and operating income was ¥254,093 million, respectively mainly due to increase in sales price of crude oil and increase in sales volume at ADMA Block.

(5) Americas

Net sales were ¥4,163 million and operating loss was ¥1,102 million.

2. Qualitative Information on Consolidated Financial Position

Consolidated total assets as of September 30, 2008 increased by ¥80,174 million to ¥1,888,074 million from ¥1,807,900 million as of March 31, 2008. This is mainly due to increase in recoverable accounts under production sharing by ¥63,399 million at Kashagan Oil Field, Offshore Mahakam Block, Masela Block and others, increase in tangible fixed assets and increase in investment securities and marketable securities.

Meanwhile, total liabilities decreased by ¥13,494 million to ¥555,593 million from ¥569,088 million as of March 31, 2008. Current liabilities increased by ¥22,306 million to ¥347,592 million, and long-term liabilities decreased by ¥35,800 million to ¥208,001 million due to decrease in long-term debt.

Net assets increased by ¥93,668 million to ¥1,332,481 million, of which minority interests in net assets increased by ¥10,534 million to ¥91,977 million.

Cash and cash equivalents at the end of the six months ended September 30, 2008 totaled ¥210,257 million reflecting net decrease of ¥12,012 million from ¥222,269 million at the end of the previous fiscal year.

Cash flows from operating activities, investing activities and financial activities and those factors are as follows:

(1) Cash flows from operating activities

Net cash provided by operating activities was ¥211,383 million (increased by ¥40,148 million from the corresponding period of the previous fiscal year). This is mainly due to increase in cash provided by net income after taxes.

(2) Cash flows from investing activities

Net cash used in investing activities was ¥179,098 million (increased by ¥98,990 million from the corresponding period of the previous fiscal year). This is mainly due to increase in payments for purchases of investment securities and payments for purchases of tangible fixed assets.

(3) Cash flows from financial activities

Net cash used in financial activities was ¥50,624 million (increased by ¥25,624 million from the corresponding period of the previous fiscal year). This is mainly due to increase in repayments of long-term debt.

3. Qualitative Information on Forecasts for Consolidated Financial Results

In comparison with the forecasts previously announced in August 8, 2008, we forecast that the consolidated financial results for the year ending March 31, 2009 will likely decrease both in net sales and income due mainly to the revision of assumptions of a crude oil price and an exchange rate used for our forecasts considering their current market conditions.

Forecasts for consolidated financial results for the year ending March 31, 2009 (Millions of yen)

	Net sales	Operating income	Ordinary income	Net income
Previous Forecasts: A	1,314,000	850,000	819,000	177,000
Revised Forecasts: B	1,153,000	723,000	692,000	150,000
Increase (Decrease): B - A	(161,000)	(127,000)	(127,000)	(27,000)
Percentage change (%)	(12.3)	(14.9)	(15.5)	(15.3)

The above forecasts are calculated based on the following assumptions:

	Previous Forecasts	Revised Forecasts
Crude Oil Price (Brent)	Second-Half (October 1, 2008- March 31, 2009) : US\$ 95/bbl	Second-half (October 1, 2008- March 31, 2009) : US\$65/bbl
Exchange rate	Second-Half (October 1, 2008- March 31, 2009) : ¥100/US\$1	Second-half (October 1, 2008-March 31, 2009) : ¥95/US\$1

Note : Our sales crude oil prices are different for each crude oil and there are also price differences between our sales crude oil prices and Brent price. The price differentials reflect the qualities, and the pricing range is not constant due to the market conditions. Most of our sales crude oil prices are lower than Brent price.

4. Others

Changes in accounting principles, procedures, presentations, etc., pertaining to preparation of quarterly consolidated financial statements

Effective the fiscal year ending March 31, 2009, the Company applies "Accounting Standard for Quarterly Financial Statements" (ASBJ Statement No. 12) and "Implementation Guidance for Accounting Standard for Quarterly Financial Statements" (ASBJ Guidance No. 14). The Company also prepares quarterly consolidated financial statements according to "Regulations for Quarterly Consolidated Financial Statements."

5. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

Accounts	As of September 30, 2008	Condensed balance sheet as of March 31, 2008
(Assets)		
Current assets		
Cash and deposits	177,793	204,596
Accounts receivable-trade	104,392	120,948
Marketable securities	124,432	115,730
Inventories	20,784	19,716
Other	83,863	104,176
Allowance for doubtful accounts	(59)	(58)
Total current assets	511,207	565,110
Fixed assets		
Tangible fixed assets	277,820	254,481
Intangible assets		
Goodwill	118,264	121,644
Other	141,054	143,836
Total intangible assets	259,318	265,480
Investments and other assets		
Investment securities	424,193	360,726
Recoverable accounts under production sharing	446,561	383,162
Other	68,398	61,258
Allowance for doubtful accounts	(749)	(911)
Allowance for recoverable accounts under production sharing	(88,102)	(71,445)
Allowance for investments in exploration	(10,572)	(9,963)
Total investments and other assets	839,728	722,827
Total fixed assets	1,376,867	1,242,789
Total assets	1,888,074	1,807,900

(Millions of yen)

Accounts	As of September 30, 2008	Condensed balance sheet as of March 31, 2008
(Liabilities)		
Current liabilities		
Accounts payable-trade	17,146	22,582
Short-term loans	13,251	19,274
Income taxes payable	174,833	131,523
Provision for exploration projects	8,449	10,786
Accrued bonuses to officers	82	208
Other	133,829	140,909
Total current liabilities	347,592	325,285
Long-term liabilities		
Long-term debt	142,544	174,813
Accrued retirement benefits to employees	8,795	8,645
Liabilities for site restoration and decommissioning costs	13,992	12,728
Liabilities for losses on development activities	1,964	1,964
Accrued special repair and maintenance	393	229
Other	40,311	45,420
Total long-term liabilities	208,001	243,802
Total liabilities	555,593	569,088
(Net assets)		
Shareholders' equity		
Common stock	30,000	30,000
Capital surplus	418,491	418,493
Retained earnings	813,206	718,616
Treasury stock	(3,535)	(2,215)
Total shareholders' equity	1,258,161	1,164,894
Valuation, translation adjustments and others		
Unrealized holding gain (loss) on securities	(14,142)	(7,468)
Unrealized gain (loss) from hedging instruments	(0)	3
Translation adjustments	(3,514)	(60)
Total valuation, translation adjustments and others	(17,657)	(7,524)
Minority interests	91,977	81,442
Total net assets	1,332,481	1,238,812
Total liabilities and net assets	1,888,074	1,807,900

(2) Consolidated Statement of Income

(Millions of yen)

Accounts	For the six months ended September 30, 2008
Net sales	741,594
Cost of sales	188,455
Gross profit	553,139
Exploration expenses	15,722
Selling, general and administrative expenses	33,695
Operating income	503,721
Other income	
Interest income	3,468
Dividend income	3,766
Equity in earnings of affiliates	1,349
Other	2,117
Total other income	10,701
Other expenses	
Interest expense	3,402
Provision for allowance for recoverable accounts under production sharing	14,192
Provision for exploration projects	2,521
Loss on valuation of investment securities	5,108
Foreign exchange loss	5,240
Other	4,531
Total other expenses	34,996
Ordinary income	479,426
Income before income taxes and minority interests	479,426
Income taxes-current	378,421
Income taxes-deferred	(7,360)
Total income taxes	371,061
Minority interests	4,336
Net income	104,028

(3) Consolidated Statement of Cash Flows

(Millions of yen)

Accounts	For the six months ended September 30, 2008
Cash flows from operating activities	
Income before income taxes and minority interests	479,426
Depreciation and amortization	19,675
Amortization of goodwill	3,380
Provision for allowance for recoverable accounts under production sharing	16,781
Provision for exploration projects	(2,265)
Provision for accrued retirement benefits to employees	149
Provision for site restoration and decommissioning costs	1,309
Other provisions	9
Interest and dividend income	(7,234)
Interest expense	3,402
Foreign exchange loss	984
Equity in earnings of affiliates	(1,349)
Recovery of recoverable accounts under production sharing (capital expenditures)	25,240
Recoverable accounts under production sharing (operating expenditures)	(25,250)
Accounts receivable-trade	15,773
Inventories	(1,065)
Accounts payable-trade	(5,035)
Other	(1,568)
Subtotal	522,362
Interest and dividends received	7,655
Interest paid	(3,871)
Income taxes paid	(314,763)
Net cash provided by operating activities	211,383

(Millions of yen)

Accounts	For the six months ended September 30, 2008
Cash flows from investing activities	
Increase in time deposits	(2,644)
Decrease in time deposits	2,904
Payments for purchases of tangible fixed assets	(40,267)
Proceeds from sales of tangible fixed assets	242
Payments for purchases of intangible assets	(1,012)
Payments for purchases of marketable securities	(7,070)
Proceeds from sales of marketable securities	60,281
Payments for purchases of investment securities	(129,053)
Proceeds from sales of investment securities	1,010
Investment in recoverable accounts under production sharing (capital expenditures)	(64,063)
Increase in short-term loans receivable	(45)
Long-term loans made	(1,416)
Collection of long-term loans receivable	580
Other	1,456
Net cash used in investing activities	(179,098)
Cash flows from financing activities	
Decrease in short-term loans	(115)
Proceeds from long-term debt	6,800
Repayments of long-term debt	(52,899)
Proceeds from minority interests for additional shares	6,480
Purchase of treasury stock	(1,335)
Cash dividends paid	(9,418)
Dividends paid to minority shareholders	(81)
Other	(54)
Net cash used in financing activities	(50,624)
Effect of exchange rate changes on cash and cash equivalents	6,326
Net decrease in cash and cash equivalents	(12,012)
Cash and cash equivalents at beginning of the period	222,269
Cash and cash equivalents at end of the period	210,257

Effective the fiscal year ending March 31, 2009, the Company applies “Accounting Standard for Quarterly Financial Statements” (ASBJ Statement No. 12) and “Implementation Guidance for Accounting Standard for Quarterly Financial Statements” (ASBJ Guidance No. 14). The Company also prepares quarterly consolidated financial statements according to “Regulations for Quarterly Consolidated Financial Statements.”

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

None

(5) Segment information

【Business segment information】

For the six months ended September 30, 2008 (April 1, 2008 through September 30, 2008)

Segment information by business has been omitted because the crude oil and natural gas business accounts for more than 90% of total sales and operating income.

【Geographical segment information】

For the six months ended September 30, 2008 (April 1, 2008 through September 30, 2008)

(Millions of yen)

	Japan	Asia - Oceania	Eurasia (Europe-NIS)	Middle East - Africa	Americas	Total	Eliminations and other	Consolidated
Net sales								
(1) Sales to third parties	46,496	286,738	54,395	349,799	4,163	741,594	—	741,594
(2) Intercompany sales and transfers between segments	—	—	—	—	—	—	—	—
Total	46,496	286,738	54,395	349,799	4,163	741,594	—	741,594
Operating income (loss)	16,108	205,331	32,700	254,093	(1,102)	507,131	(3,410)	503,721

Notes: 1. Countries and areas are segmented based on their geographic proximity and their mutual operational relationships.

2. Major countries and areas that belong to segments other than Japan are as follows:

- (1) Asia - Oceania·····Indonesia, Australia, East Timor, Vietnam
- (2) Eurasia (Europe - NIS)··Azerbaijan, Kazakhstan, UK
- (3) Middle East - Africa····UAE, D.R. Congo, Iran, Libya, Egypt, Algeria, Angola
- (4) Americas··········Venezuela, Ecuador, USA, Canada, Suriname, Brazil

【Overseas sales】

For the six months ended September 30, 2008 (April 1, 2008 through September 30, 2008)

	Asia - Oceania	Other	Total
I. Overseas sales (Millions of yen)	253,315	31,306	284,621
II. Consolidated sales (Millions of yen)	—	—	741,594
III. Overseas sales as a percentage of consolidated sales (%)	34.2	4.2	38.4

Notes: 1. Countries and areas are segmented based on their geographic proximity.

2. Major countries and areas that belong to segments other than Japan are as follows:

- (1) Asia - Oceania······South Korea, Taiwan, Indonesia, Singapore, Thailand, Philippines, Australia
- (2) Other··········USA, Netherland

3. Overseas sales consist of export sales of the Company and its domestic consolidated companies and sales (other than exports to Japan) of its foreign consolidated subsidiaries. Overseas sales are totaled up based on final destination.

(6) Note on significant changes in shareholders' equity

None

[Reference]

Consolidated Statement of Income for the six months ended September 30, 2007

(Millions of yen)

Accounts	For the six months ended September 30, 2007
	Amounts
I Net sales	554,173
II Cost of sales	189,656
Gross profit	364,517
III Exploration expenses	8,316
1 Exploration expenses	8,679
2 Exploration subsidies	(362)
IV Selling, general and administrative expenses	30,233
Operating income	325,966
V Other income	22,038
1 Interest income	5,901
2 Dividend income	1,263
3 Equity in earnings of affiliates	1,087
4 Net gain on re-determination of unitized field	3,849
5 Net gain on taking effect of exploration and production agreement	3,549
6 Foreign exchange gain	4,561
7 Other	1,826
VI Other expenses	26,363
1 Interest expense	5,912
2 Provision for allowance for recoverable accounts under production sharing	7,527
3 Provision for exploration projects	687
4 Loss on valuation of investment securities	6,820
5 Other	5,415
Ordinary income	321,642
Income before income taxes and minority interests	321,642
Income taxes-current	238,957
Income taxes-deferred	(7,038)
Minority interests	8,678
Net income	81,045

Consolidated Statement of Cash Flows for the six months ended September 30, 2007

(Millions of yen)

Accounts	For the six months ended September 30, 2007
	Amounts
I Cash flows from operating activities	
Income before income taxes and minority interests	321,642
Depreciation and amortization	17,738
Amortization of goodwill	3,236
Provision for allowance for recoverable accounts under production sharing	8,197
Provision for exploration projects	(189)
Provision for accrued retirement benefits to employee	158
Provision for site restoration and decommissioning costs	(65)
Other provisions	480
Interest and dividend income	(7,164)
Interest expense	5,912
Foreign exchange gain	(1,654)
Equity in earnings of affiliates	(1,087)
Loss on the sales of investment securities	7
Loss on the valuation of investment securities	6,820
Accounts receivable-trade	(9,627)
Recovery of recoverable accounts under production sharing (capital expenditures)	50,622
Recoverable accounts under production sharing (operating expenditures)	(14,472)
Inventories	(5,511)
Accounts payable-trade	105
Other	8,024
Subtotal	383,175
Interest and dividends received	7,235
Interest paid	(5,938)
Income taxes paid	(213,238)
Net cash provided by operating activities	171,234

(Millions of yen)

Accounts	For the six months ended September 30, 2007
	Amounts
II Cash flows from investing activities	
Increase in time deposits	(2,191)
Decrease in time deposits	16,804
Payments for purchases of marketable securities	(3,993)
Proceeds from sales of marketable securities	22,156
Payments for purchases of tangible fixed assets	(25,015)
Proceeds from sales of tangible fixed assets	93
Payments for purchases of intangible assets	(732)
Payments for purchases of investment securities	(62,059)
Proceeds from sales of investment securities	104
Investment in recoverable accounts under production sharing (capital expenditures)	(58,612)
Decrease in short-term loans receivable	10,566
Long-term loans made	(4,308)
Collection of long-term loans receivable	158
Proceeds from transfer of mining rights	27,890
Other	(968)
Net cash used in investing activities	(80,107)
III Cash flows from financing activities	
Decrease in short-term loans	(75)
Proceeds from long-term debt	19,262
Repayments of long-term debt	(30,860)
Proceeds from minority interests for additional shares	3,930
Purchase of treasury stock	(689)
Cash dividends paid	(16,485)
Dividends paid to minority shareholders	(81)
Stock transfer payment	(0)
Net cash used in financing activities	(24,999)
IV Effect of exchange rate changes on cash and cash equivalents	(3,440)
V Net increase in cash and cash equivalents	62,686
VI Cash and cash equivalents at beginning of the period	189,416
VII Cash and cash equivalents at end of the period	252,103

6. Other

(1) Production, orders received and sales performance

1) Actual production

The following table shows actual production by business segment:

Business segment	Category	(Reference) For the six months ended September 30, 2007	For the six months ended September 30, 2008
Crude oil and natural gas	Crude oil	45 MMbbls (248 Mbbls per day)	41 MMbbls (223 Mbbls per day)
	Natural gas	201 Bcf (1,099 MMcf per day)	195 Bcf (1,068 MMcf per day)
	Subtotal	79 MMboe (431 Mboe per day)	73 MMboe (401 Mboe per day)
	Petroleum products	112 Mkl (707 Mbbls)	114 Mkl (719 Mbbls)
	Iodine	229 tons	247 tons
	Electric power generation	55 millions kWh	58 millions kWh

- Notes:
1. The volume of LPG produced overseas is included in 'Crude oil.' On the other hand, the amount of LPG produced in the domestic refinery is included in 'Petroleum Products.'
 2. A portion of crude oil production volume is consumed as material for petroleum products.
 3. A portion of crude oil and natural gas production volume is consumed as fuel to generate electricity.
 4. 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 six months ended September 30 regardless of a closing date on the basis of fiscal periods of its subsidiaries or affiliates.
 5. The production volume of crude oil and natural gas under the production sharing contracts entered by INPEX Holdings Group corresponds to the net economic take of our group.
Figures calculated by multiplying the gross production volume by our company's interest share are 61 MMbbls (332 Mbbls per day) of crude oil, 354 Bcf (1,934 MMcf per day) of natural gas, and in total 120 MMboe (654 Mboe per day).
 6. Boe means barrels of oil equivalent.
 7. The volume of petroleum products is converted to bbl in parenthesis. Applied coefficient is 6.29 bbls per kl.
 8. Iodine is refined by another company on consignment.
 9. Figures are rounded to nearest whole number.

2) Orders received

This information is not disclosed since the amount of orders received accounted for a minor portion of total sales. In addition, there is no production for orders received in crude oil and natural gas business.

3) Actual sales

- a) The Company takes back the full amount of crude oil produced overseas allocated to us under production sharing contracts and produced under concession agreements, and sell it to domestic and foreign customers. The Company sells natural gas produced in Indonesia in the form of LNG to Japanese power companies, city gas companies and customers in South Korea, Taiwan and other countries through PERTAMINA. In addition, the Company sells natural gas produced in Japan to customers using our pipeline.
- b) Sales by business segment during each period were as follows:

(Millions of yen)

Business segment	Category	(Reference)		For the six months ended	
		For the six months ended September 30, 2007		September 30, 2008	
Crude oil and natural gas	Crude Oil	42,971 Mbbls	357,715	38,301 Mbbls	478,048
	Natural Gas	202,083 MMcf	183,560	197,349 MMcf	248,884
		LPG: 755 Mbbls		LPG: 1,083 Mbbls	
	Others	11,939		13,782	
Subtotal	553,215		740,715		
Other		958		879	
Total		554,173		741,594	

- Notes: 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 by using their operating results for the six months ended June 30, 2008 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 nearest whole number.
4. Sales for major customers and sales as a percentage of total net sales are as follows. Sales amount of PERTAMINA consists mostly of natural gas and over half of them are sold to Japanese customers in the form of LNG.

Customers	For the six months ended September 30, 2008	
	Amounts (Millions of yen)	Ratio (%)
PERTAMINA	211,706	28.5
Idemitsu Kosan Co., Ltd.	76,460	10.3

(2) Significant subsequent events

Final agreement on Offshore North Caspian Sea Block in the Republic of Kazakhstan

On October 31, 2008, all partners have reached a final agreement with the Government of Republic of Kazakhstan on the detailed terms and conditions related to Offshore North Caspian Sea Block in Republic of Kazakhstan which INPEX North Caspian Sea, Ltd., a consolidated subsidiary of the Company, held 8.33% participating interest. This agreement had been in process of discussion about detailed conditions based on basic agreement on January 14, 2008, which stated construction of new operating and governance model, and all partners except KazMunayGas (KMG) would dilute proportionally their participating interest allowing KMG's stake to increase matching that of the major shareholders and others. As a result of this, the participating interest of INPEX North Caspian Sea, Ltd. would be from 8.33% to 7.56%. This agreement does not have significant impact on the Company's net income for the year ending March 31, 2009.

[Reference]

1. Condensed Consolidated Statements of Income of INPEX CORPORATION

(Millions of yen)

Accounts	For the six months ended September 30, 2007	For the six months ended September 30, 2008	Fluctuation (B)-(A)
	(A)	(B)	(B)-(A)
	Amounts	Amounts	Amounts
I Net sales	498,422	676,600	178,177
II Cost of sales	171,221	167,728	(3,493)
Gross profit	327,200	508,871	181,671
III Exploration expenses	3,888	12,948	9,059
IV Selling, general and administrative expenses	15,354	16,227	873
Operating income	307,957	479,695	171,738
V Other income	16,176	7,816	(8,359)
1 Interest income	5,490	3,062	(2,427)
2 Equity in earnings of affiliates	493	1,056	563
3 Net gain on re-determination of unitized field	3,849	—	(3,849)
4 Foreign exchange gain	4,788	—	(4,788)
5 Other	1,554	3,697	2,143
VI Other expenses	17,691	26,945	9,254
1 Interest expense	5,432	3,067	(2,365)
2 Provision for allowance for recoverable accounts under production sharing	6,697	13,216	6,518
3 Foreign exchange loss	—	5,021	5,021
4 Other	5,561	5,641	80
Ordinary income	306,441	460,566	154,124
Income before income taxes and minority interests	306,441	460,566	154,124
Income taxes-current	228,824	366,630	137,806
Income taxes-deferred	(4,060)	(5,939)	(1,879)
Minority interests	7,407	3,972	(3,434)
Net income	74,270	95,903	21,632

2. Condensed Consolidated Statements of Income of Teikoku Oil Co., Ltd.

(Millions of yen)

Accounts	For the six months ended September 30, 2007 (A)	For the six months ended September 30, 2008 (B)	Fluctuation (B)-(A)
	Amounts	Amounts	Amounts
I Net sales	75,454	86,732	11,277
II Cost of sales	38,140	42,447	4,306
Gross profit	37,314	44,285	6,970
III Exploration expenses	4,427	2,773	(1,653)
IV Selling, general and administrative expenses	11,633	14,076	2,442
Operating income	21,252	27,434	6,181
V Other income	6,444	3,158	(3,286)
1 Interest income	378	388	10
2 Equity in earnings of affiliates	593	293	(300)
3 Net gain on taking effect of exploration and production agreement	3,549	—	(3,549)
4 Other	1,923	2,475	552
VI Other expenses	2,095	5,540	3,445
1 Interest expense	495	349	(146)
2 Provision for allowance for recoverable accounts under production sharing	830	976	146
3 Foreign exchange loss	227	218	(8)
4 Other	542	3,995	3,453
Ordinary income	25,602	25,052	(549)
Income before income taxes and minority interests	25,602	25,052	(549)
Income taxes-current	10,055	11,769	1,713
Income taxes-deferred	(493)	(470)	23
Minority interests	1,271	364	(906)
Net income	14,768	13,389	(1,379)