

**Consolidated Financial Results for the Nine Months ended December 31, 2010 [Japanese GAAP]**

February 4, 2011

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

Company name : **INPEX CORPORATION** Stock Exchange on which the Company is listed : Tokyo Stock Exchange  
 Code number : 1605 URL <http://www.inpex.co.jp>  
 Representative : Toshiaki Kitamura, President  
 Contact person : Kazuhiko Itano, General Manager, Corporate Communications Unit  
 TEL+81-3-5572-0233

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Meeting of quarterly financial results presentation : None

(Amounts less than one million yen are rounded off)

**1. Consolidated Financial Results for the Nine Months ended December 31, 2010 (April 1, 2010-December 31, 2010)**

**(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	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
For the nine months ended December 31, 2010	681,899	10.7	378,795	12.8	365,495	13.9	90,108	11.7
December 31, 2009	615,979	(33.2)	335,755	(44.1)	320,774	(42.9)	80,690	(42.7)

	Net income per share—basic	Net income per share—diluted
For the nine months ended	Yen	Yen
December 31, 2010	30,014.30	—
December 31, 2009	34,285.38	—

**(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
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2010	2,587,891	2,050,949	75.6	535,663.08
As of March 31, 2010	2,013,778	1,490,603	68.9	589,548.88

(Reference): Net assets excluding minority interests: ¥ 1,955,649 million as of December 31, 2010  
 ¥ 1,387,499 million as of March 31, 2010

**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, 2010	Yen —	Yen 2,500.00	Yen —	Yen 3,000.00	Yen 5,500.00
For the year ending March 31, 2011	—	3,000.00	—		
For the year ending March 31, 2011 (forecast)				3,000.00	6,000.00

(Reference): Changes in projected dividends for the year ending March 31, 2011 from the previous forecast: None

**3. Forecasted Consolidated Financial Results for the year ending March 31, 2011 (April 1, 2010-March 31, 2011)**

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

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
For the year ending March 31, 2011	888,000	5.7	488,000	5.7	479,000	8.4	120,000	11.9	38,072.35

(Reference): Changes in forecasted consolidated financial results for the year ending March 31, 2011 from the previous forecast: Yes

4. Others (Please refer to “2. Others” on page 4 for details.)

(1) Significant changes in scope of consolidation : None

(Note): Changes in the specified subsidiaries during the period due to change in scope of consolidation

(2) Adoption of simplified accounting methods or special accounting treatments : None

(Note): Adoption of simplified accounting methods or special accounting treatments for presenting quarterly consolidated financial statements

(3) Changes in accounting principles, procedures, or disclosures

1. Changes associated with revision in accounting standards : Yes

2. Other changes : None

(Note): Changes in accounting principles, procedures, or disclosures for presenting quarterly consolidated financial statements stated as “Changes to the basis of presenting quarterly consolidated financial statements.”

(4) Number of shares issued (Common stock)

1. Number of shares issued at the end of the period 3,655,810 shares as of December 31, 2010

(including treasury stock): 2,358,410 shares as of March 31, 2010

2. Number of treasury stock at the end of the period: 4,916 shares as of December 31, 2010

4,916 shares as of March 31, 2010

3. Average number of shares: 3,002,194 shares for the nine months ended December 31, 2010

2,353,494 shares for the nine months ended December 31, 2009

(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.

\* Indication of quarterly review procedure implementation status

This quarterly earnings report is exempt from quarterly review procedure under the Financial Instruments and Exchange Act. The review procedure for quarterly consolidated financial statements under the Financial Instruments and Exchange Act has not been completed at the time of disclosure of this report.

\* 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) Qualitative Information on Forecasted Consolidated Financial Results” on page 3.

The Company issued 1,216,000 shares of common stock by way of offering new shares on August 2, 2010 as its due date. In addition, 81,400 shares of common stock were issued to Nomura Securities Co., Ltd. as an allottee on August 31, 2010, by way of the third-party allotment in connection with a secondary offering of the Company’s shares (by way of over-allotment).

As a result, net income per share for the year ending March 31, 2011, on the aforementioned forecasts, is calculated by using 3,151,894 shares, average shares which include the increased shares by the public offering of new shares and over-allotment.

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## 1. Qualitative Information / Financial Statements

### (1) Qualitative Information on Consolidated Financial Results

During the nine months ended December 31, 2010, consolidated net sales were ¥681,899 million (increased by ¥65,920 million, or 10.7%, from the corresponding period of the previous fiscal year) due mainly to an increase in sales price of crude oil and natural gas. Net sales of crude oil increased by ¥41,227 million, or 11.5%, to ¥400,963 million, and net sales of natural gas increased by ¥24,059 million, or 10.2%, to ¥260,794 million. Sales volume of crude oil increased by 348 Mbbls, or 0.6%, to 58,085 Mbbls. Sales volume of natural gas decreased by 12,262 MMcf, or 4.0%, to 297,809 MMcf. Sales volume of natural gas produced overseas decreased by 12,558 MMcf, or 4.7%, to 254,637 MMcf, and sales volume of domestic natural gas increased by 8 MMm<sup>3</sup>, or 0.7%, to 1,157 MMm<sup>3</sup> (43,172 MMcf). The average sales price of crude oil produced overseas increased by US\$12.70 per bbl, or 19.2 %, to US\$78.78 per bbl, and the average sales price of natural gas produced overseas increased by US\$1.40 per Mcf, or 19.3%, to US\$8.65 per Mcf. In addition, the average sales price of domestic natural gas increased by ¥6.46, or 17.6%, to ¥43.15 per m<sup>3</sup>. The average exchange rate of Japanese yen against U.S. dollar on consolidated net sales appreciated by ¥6.38, or 6.8%, to ¥86.96 per U.S. dollar from the corresponding period of the previous fiscal year.

The increase of ¥65.9 billion in net sales was mainly derived from the following factors: a decrease in sales volume of ¥3.5 billion, an increase in unit sales price of ¥113.5 billion, the appreciation of Japanese yen against U.S. dollar of ¥44.7 billion, and an increase in net sales excluding crude oil and natural gas of ¥0.6 billion.

Cost of sales for the nine months ended December 31, 2010 increased by ¥26,110 million, or 11.9%, to ¥244,882 million due mainly to an increase in net purchase of natural gas in Japan, and an increase in depreciation owing to the commencement of production in the Van Gogh field. Exploration expenses decreased by ¥1,614 million, or 14.3%, to ¥9,707 million due mainly to a decrease in exploration activities in Japan despite an increase in Americas. Selling, general and administrative expenses decreased by ¥1,615 million, or 3.2%, to ¥48,514 million. As a result, operating income increased by ¥43,039 million, or 12.8%, to ¥378,795 million.

Other income increased by ¥7,020 million, or 66.3 %, to ¥17,616 million due to an increase in equity in earnings of affiliates and gain on change in equity. Other expenses increased by ¥5,339 million, or 20.9%, to ¥30,915 million due mainly to an increase in exploration activities, the record of an allowance for full amounts of investments in a conservative manner, regarding the withdrawal from Azadegan oil field in Iran, and a record of loss on adjustment for changes of accounting standard for asset retirement, despite a decrease in foreign exchange loss.

As a result, ordinary income and income before income taxes and minority interests increased by ¥44,721 million, or 13.9%, to ¥365,495 million.

Total amount of current income taxes increased by ¥23,832 million, or 10.2%, to ¥257,766 million, and deferred income taxes were ¥10,394 million, income before minority interests were ¥97,334 million, and minority interests were ¥7,225 million. As a result of the above effects, net income for the nine months ended December 31, 2010 increased by ¥9,418 million, or 11.7%, to ¥90,108 million from the corresponding period of the previous fiscal year.

Financial results by segment are as follows: Meanwhile, effective from the first quarter ended June 30, 2010, the Company adopted “Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” (ASBJ Statement No.17, issued on March 27, 2009) and the “Guidance on the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” (ASBJ Guidance No.20, issued on March 21, 2008), the reportable segments and the calculation method of segment income effective from the first quarter ended June 30, 2010 are compared with the geographical segment information of the corresponding period of the previous fiscal year since the same calculation method is used.

#### 1) Japan

Net sales increased by ¥8,215 million, or 12.8%, to ¥72,531 million due to an increase in sales volume and sales price of natural gas. Operating income decreased by ¥5,702 million, or 27.1%, to ¥15,356 million due to an increase in net purchase of natural gas.

#### 2) Asia - Oceania

Net sales increased by ¥44,653 million, or 16.9%, to ¥309,029 million due to an increase in sales volume of crude oil and sales price of crude oil and natural gas despite an appreciation of Japanese yen, and operating income increased by ¥40,579 million, or 29.0%, to ¥180,503 million.

#### 3) Eurasia (Europe - NIS)

Net sales decreased by ¥2,877 million, or 5.8%, to ¥46,855 million due to a decrease in sales volume of crude oil in the ACG oil fields and appreciation of Japanese yen despite an increase in sales price of crude oil, and operating income decreased by ¥3,078 million, or 11.4%, to ¥23,925 million.

#### 4) Middle East - Africa

Net sales increased by ¥17,612 million, or 7.8%, to ¥242,665 million due to an increase in sales price of crude oil, and operating income increased by ¥13,628 million, or 8.9%, to ¥166,846 million.

#### 5) Americas

Net sales decreased by ¥1,683 million, or 13.5%, to ¥10,818 million, and operating loss was ¥1,449 million due to an increase in exploration expenses.

## (2) Qualitative Information on Consolidated Financial Position

Total assets as of December 31, 2010 increased by ¥574,113 million to ¥2,587,891 million from ¥2,013,778 million as of March 31, 2010. This is due mainly to an increase in investment securities by ¥483,284 million, an increase in intangible assets by ¥12,839 million owing to the acquisition of an additional interest in the ACG oil fields, and increase in recoverable accounts under production sharing by ¥36,080 million owing to investments at the Kashagan oil field etc.

Meanwhile, total liabilities increased by ¥13,766 million to ¥536,941 million from ¥523,175 million. Current liabilities decreased by ¥4,637 million to ¥223,267 million and long-term liabilities increased by ¥18,404 million to ¥313,674 million.

Net assets increased by ¥560,346 million to ¥2,050,949 million due to an increase in common stock and capital surplus by ¥260,809 million, respectively, owing to the issuance of new shares and secondary offering of shares. Minority interests in net assets decreased by ¥7,802 million to ¥95,300 million.

Cash and cash equivalents as of December 31, 2010 totaled ¥200,733 million reflecting a net decrease of ¥15,661 million from ¥216,395 million at the end of the previous fiscal year.

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

### 1) Cash flows from operating activities

Net cash provided by operating activities was ¥188,443 million (increased by ¥10,254 million from the corresponding period of the previous fiscal year). This is due mainly to an increase in income before income taxes and minority interests owing to an increase in sales price of crude oil.

### 2) Cash flows from investing activities

Net cash used in investing activities was ¥726,930 million (increased by ¥555,545 million from the corresponding period of the previous fiscal year). This is due mainly to an increase in payments for purchases of investment securities.

### 3) Cash flows from financial activities

Net cash provided by financial activities was ¥536,612 million (increased by ¥498,101 million from the corresponding period of the previous fiscal year). This is due to an increase in proceeds from issuance of common stock.

## (3) Qualitative Information on Forecasts for Consolidated Financial Results

Forecasts for consolidated financial results for the year ending March 31, 2011 have been revised from the previous forecast presented on November 4, 2010, taking into consideration the consolidated financial results for the nine months ended December 31, 2010 as well as revised assumptions of crude oil price for the three months ending March 31, 2011.

Forecasts for consolidated financial results for the year ending March 31, 2011

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income
Previous Forecasts: A	835,000	438,000	420,000	102,000
Revised Forecasts: B	888,000	488,000	479,000	120,000
Increase (Decrease): B - A	53,000	50,000	59,000	18,000
Percentage change (%)	6.3	11.4	14.0	17.6

The above forecasts are calculated based on the following assumptions:

	Previous Forecasts	Revised Forecasts
Crude Oil Price (Brent)	1 <sup>st</sup> Half (April 1, 2010-September 30, 2010) : US\$ 78.2/bbl (Actual) 2 <sup>nd</sup> Half (October 1, 2010- March 31, 2011) : US\$ 77.5/bbl Full Year (April 1, 2010- March 31, 2011) : US\$77.9/bbl (Average)	1 <sup>st</sup> Half (April 1, 2010-September 30, 2010) : US\$ 78.2/bbl (Actual) 2 <sup>nd</sup> Half *1 (October 1, 2010- March 31, 2011) : US\$ 86.2/bbl Full Year (April 1, 2010- March 31, 2011) : US\$82.2/bbl (Average)
Exchange rate	1 <sup>st</sup> Half (April 1, 2010-September 30, 2010) : ¥89.0/US\$1 (Actual) 2 <sup>nd</sup> Half (October 1, 2010- March 31, 2011) : ¥80.0/US\$1 Full Year (April 1, 2010- March 31, 2011) : ¥84.5/US\$1 (Average)	1 <sup>st</sup> Half (April 1, 2010-September 30, 2010) : ¥89.0/US\$1 (Actual) 2 <sup>nd</sup> Half *2 (October 1, 2010- March 31, 2011) : ¥81.3/US\$1 Full Year (April 1, 2010- March 31, 2011) : ¥85.1/US\$1 (Average)

\*1 3<sup>rd</sup> quarter (Actual) : US\$ 87.3/bbl, 4<sup>th</sup> quarter (Forecast) : US\$ 85.0/bbl

\*2 3<sup>rd</sup> quarter (Actual) : ¥ 82.6/US\$1, 4<sup>th</sup> quarter (Forecast) : ¥ 80.0/US\$1

Note: Crude oil prices at which the Company sells products depend on the type of crude oil, and there are also price differences between the crude oil price and Brent price. Price differences are caused by its quality and its pricing range which is affected by the market conditions. Most of the crude oil prices are lower than Brent price.

## 2. Others

### (1) Significant changes in scope of consolidation:

None

### (2) Adoption of simplified accounting methods or special accounting treatments:

None

### (3) Changes in accounting principles, procedures, presentations, or disclosures:

#### 1) Adoption of “Accounting Standard for Asset Retirement Obligations”

Effective from the first quarter ended June 30, 2010, the Company adopted the “Accounting Standard for Asset Retirement Obligations” (ASBJ Statement No. 18 issued on March 31, 2008) and the “Guidance on Accounting Standard for Asset Retirement Obligations” (ASBJ Guidance No. 21 issued on March 31, 2008). Pursuant to these standards, the Company has reversed liabilities for site restoration and decommissioning costs which had been recorded as a provision for future costs expected to incur in accordance with the schedule for site restoration and decommissioning.

As a result, operating income decreased by ¥15 million and ordinary income and income before income taxes and minority interests decreased by ¥1,185, respectively. The change in the amount of asset retirement obligations due to the adoption of these accounting standards is ¥2,305 million.

#### 2) Adoption of “Accounting Standard for Equity Method of Accounting for Investment” and “Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method”

Effective from the first quarter ended June 30, 2010, the Company adopted the “Accounting Standard for Equity Method of Accounting for Investments” (ASBJ Statement No. 16 issued on March 10, 2008) and the “Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method” (ASBJ PITF No. 24 issued on March 10, 2008).

There is no impact on the consolidated financial statements as a result of this change.

## 3. Consolidated Financial Statements

## (1) Consolidated Balance Sheets

(Millions of yen)

Accounts	As of December 31, 2010	Condensed balance sheet as of March 31, 2010
(Assets)		
Current assets		
Cash and deposits	112,926	119,809
Accounts receivable-trade	80,418	88,364
Marketable securities	224,885	213,040
Inventories	13,540	12,322
Other	72,641	59,340
Allowance for doubtful accounts	(638)	(22)
Total current assets	503,774	492,854
Fixed assets		
Tangible fixed assets	366,943	358,094
Intangible assets		
Goodwill	103,052	108,122
Other	148,991	131,082
Total intangible assets	252,044	239,205
Investments and other assets		
Investment securities	887,262	403,978
Recoverable accounts under production sharing	550,726	514,645
Other	158,823	115,781
Allowance for doubtful accounts	(597)	(640)
Allowance for recoverable accounts under production sharing	(114,242)	(94,891)
Allowance for investments in exploration	(16,843)	(15,248)
Total investments and other assets	1,465,129	923,624
Total fixed assets	2,084,117	1,520,923
Total assets	2,587,891	2,013,778

(Millions of yen)

Accounts	As of December 31, 2010	Condensed balance sheet as of March 31, 2010
(Liabilities)		
Current liabilities		
Accounts payable-trade	18,161	16,601
Short-term loans	4,823	4,872
Income taxes payable	90,063	86,534
Provision for exploration projects	10,272	15,324
Accrued bonuses to officers	114	132
Asset retirement obligations	2,249	—
Other	97,583	104,440
Total current liabilities	223,267	227,905
Long-term liabilities		
Long-term debt	253,988	235,510
Accrued retirement benefits to employees	7,013	7,585
Liabilities for site restoration and decommissioning costs	—	14,257
Liabilities for losses on development activities	—	1,964
Accrued special repair and maintenance	455	442
Asset retirement obligations	9,443	—
Other	42,773	35,508
Total long-term liabilities	313,674	295,269
Total liabilities	536,941	523,175
(Net assets)		
Shareholders' equity		
Common stock	290,809	30,000
Capital surplus	679,287	418,477
Retained earnings	1,008,840	936,744
Treasury stock	(5,248)	(5,248)
Total shareholders' equity	1,973,689	1,379,974
Valuation, translation adjustments and others		
Unrealized holding gain (loss) on securities	(554)	12,351
Translation adjustments	(17,486)	(4,826)
Total valuation, translation adjustments and others	(18,040)	7,525
Minority interests	95,300	103,103
Total net assets	2,050,949	1,490,603
Total liabilities and net assets	2,587,891	2,013,778



## (2) Consolidated Statements of Income

(Millions of yen)

Accounts	For the nine months ended December 31, 2009	For the nine months ended December 31, 2010
Net sales	615,979	681,899
Cost of sales	218,772	244,882
Gross profit	397,207	437,016
Exploration expenses	11,322	9,707
Selling, general and administrative expenses	50,129	48,514
Operating income	335,755	378,795
Other income		
Interest income	3,303	2,987
Dividend income	3,235	3,143
Equity in earnings of affiliates	—	3,576
Gain on change in equity	—	3,644
Other	4,056	4,264
Total other income	10,595	17,616
Other expenses		
Interest expense	864	816
Equity in losses of affiliates	941	—
Provision for allowance for recoverable accounts under production sharing	3,170	12,667
Provision for exploration projects	4,420	3,411
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	1,555
Foreign exchange loss	10,122	1,920
Other	6,056	10,545
Total other expenses	25,576	30,915
Ordinary income	320,774	365,495
Income before income taxes and minority interests	320,774	365,495
Income taxes-current	233,933	257,766
Income taxes-deferred	(1,407)	10,394
Total income taxes	232,525	268,160
Income before minority interests	—	97,334
Minority interests	7,558	7,225
Net income	80,690	90,108

## (3) Consolidated Statements of Cash Flows

(Millions of yen)

Accounts	For the nine months ended December 31, 2009	For the nine months ended December 31, 2010
Cash flows from operating activities		
Income before income taxes and minority interests	320,774	365,495
Depreciation and amortization	29,947	42,362
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	1,555
Amortization of goodwill	5,068	5,070
Provision for allowance for recoverable accounts under production sharing	5,568	19,737
Provision for exploration projects	3,147	(4,846)
Provision for accrued retirement benefits to employees	(484)	(559)
Provision for site restoration and decommissioning costs	(171)	—
Other provisions	3,774	2,191
Interest and dividend income	(6,539)	(6,130)
Interest expense	864	816
Foreign exchange loss (gain)	1,628	(4,110)
Equity in (earnings) losses of affiliates	941	(3,576)
Recovery of recoverable accounts under production sharing (capital expenditures)	35,572	34,607
Recoverable accounts under production sharing (operating expenditures)	(8,863)	(12,165)
Accounts receivable-trade	(23,375)	3,699
Inventories	5,033	(1,613)
Accounts payable-trade	1,157	1,977
Accounts receivable-other	(23,003)	(7,834)
Accounts payable-other	27,611	14,145
Other	8,653	(13,581)
Subtotal	387,306	437,239
Interest and dividends received	7,963	8,112
Interest paid	(1,362)	(799)
Income taxes paid	(215,717)	(256,109)
Net cash provided by operating activities	178,188	188,443

(Millions of yen)

Accounts	For the nine months ended December 31, 2009	For the nine months ended December 31, 2010
Cash flows from investing activities		
Increase in time deposits	(6,321)	(460)
Decrease in time deposits	2,774	3,881
Increase in long-term deposits	—	(53,500)
Payments for purchases of tangible fixed assets	(68,515)	(63,456)
Proceeds from sales of tangible fixed assets	80	151
Payments for purchases of intangible assets	(735)	(752)
Payments for purchases of marketable securities	—	(8,180)
Proceeds from sales of marketable securities	77,320	74,000
Payments for purchases of investment securities	(86,765)	(599,878)
Proceeds from sales of investment securities	—	10,158
Investment in recoverable accounts under production sharing (capital expenditures)	(75,694)	(60,399)
Decrease in short-term loans receivable	36	466
Long-term loans made	(6,232)	(1,124)
Collection of long-term loans receivable	23	562
Payments for purchase of mining rights	—	(27,820)
Other	(7,355)	(578)
Net cash used in investing activities	(171,385)	(726,930)
Cash flows from financing activities		
Proceeds from issuance of common stock	—	(521,619)
Increase in short-term loans	26,226	—
Proceeds from long-term debt	29,741	44,298
Repayments of long-term debt	(3,667)	(3,235)
Proceeds from minority interests for additional shares	1,720	4,436
Cash dividends paid	(15,308)	(18,030)
Dividends paid to minority shareholders	(81)	(12,397)
Other	(118)	(78)
Net cash provided by financing activities	38,511	536,612
Effect of exchange rate changes on cash and cash equivalents	(5,707)	(13,791)
Net increase (decrease) in cash and cash equivalents	39,607	(15,666)
Cash and cash equivalents at beginning of the period	162,844	216,395
Increase in cash and cash equivalents from newly consolidated subsidiary	—	4
Cash and cash equivalents at end of the period	202,452	200,733

(4) 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, 2010 (April 1, 2010 through December 31, 2010):

None

(5) Segment information

【Business segment information】

For the nine months ended December 31, 2009 (April 1, 2009 through December 31, 2009)

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 nine months ended December 31, 2009 (April 1, 2009 through December 31, 2009)

(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	64,315	264,376	49,733	225,052	12,502	615,979	—	615,979
(2) Intercompany sales and transfers between segments	—	—	—	—	—	—	—	—
Total	64,315	264,376	49,733	225,052	12,502	615,979	—	615,979
Operating income	21,059	139,923	27,004	153,218	798	342,003	(6,248)	335,755

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, Surinam, Brazil

【Overseas sales】

For the nine months ended December 31, 2009 (April 1, 2009 through December 31, 2009)

	Asia - Oceania	Other	Total
I. Overseas sales (Millions of yen)	204,393	38,715	243,108
II. Consolidated sales (Millions of yen)			615,979
III. Overseas sales as a percentage of consolidated sales (%)	33.2	6.3	39.5

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, India, Australia, China, Philippines

(2) Other··········USA, Italy

3. Overseas sales represent sales to countries and regions outside of Japan, which is determined based upon the final destination.

**【Segment information】**

1. Overview of reportable segments

For the Company's oil and natural gas development activities, the Board of Directors make the Group management decisions with respect to each mining area and others, the separate financial information of which is available.

The Company operates oil and natural gas businesses globally, thus, the Company's reportable segments are entities of individual mining areas and others aggregated by geographical region. These are classified into following segments: "Japan", "Asia - Oceania" (principally Indonesia, Australia and East Timor), "Eurasia (Europe - NIS)" (principally Azerbaijan), "Middle East - Africa" (principally UAE) and "Americas."

The Company produces oil and natural gas in each segment. In addition, the Company conducts marketing activities for petroleum products and others in "Japan" segment.

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

For the nine months ended December 31, 2010 (April 1, 2010 through December 31, 2010)

(Millions of yen)

	Reportable segments						Adjustment *1	Consolidated *2
	Japan	Asia - Oceania	Eurasia (Europe- NIS)	Middle East -Africa	Americas	Total		
Net sales								
(1) Sales to third parties	72,531	309,029	46,855	242,665	10,818	681,899	—	681,899
(2) Intercompany sales and transfers between segments	—	—	—	—	—	—	—	—
Total	72,531	309,029	46,855	242,665	10,818	681,899	—	681,899
Segment income (loss)	15,356	180,503	23,925	166,846	(1,449)	385,182	(6,387)	378,795

Note: 1. Adjustments of segment income of ¥(6,387) million includes elimination of intersegment transactions of ¥174 million and corporate expenses of ¥(6,561) million. Corporate expenses are mainly amortization of goodwill not attributable to a reportable segment and general administrative expenses.

2. Segment income was reconciled with quarterly consolidated operating income.

3. Information on impairment loss from fixed assets, goodwill, and others by reportable segment:

None

(Additional Information)

Effective from the first quarter ended June 30, 2010, the Company adopted the "Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Statement No.17, issued on March 27, 2009) and the "Guidance on the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Guidance No.20, issued on March 21, 2008).

(6) Note on significant changes in shareholders' equity

For the nine months ended December 31, 2010 (April 1, 2010 through December 31, 2010):

The Company issued new shares by way of offering on August 2, 2010 as its due date, and by way of third-party allotment on August 31, 2010 as its due date.

As a result of this, capital stock increased by ¥260,809 million to ¥290,809 million and capital surplus increased by ¥260,809 million to ¥679,287 million as of December 31, 2010, respectively.

#### 4. Supplementary information

##### (1) Production, orders received and sales performance

###### 1) Actual production

The following table shows actual production by business segment for the nine months ended December 31, 2009:

Business segment	Category	For the nine months ended December 31, 2009
Crude oil and natural gas	Crude oil	60 MMbbls (217 Mbbls per day)
	Natural gas	306 Bcf (1,114 MMcf per day)
	Subtotal	111 MMboe (403 Mboe per day)
	Petroleum products	180 Mkl (1,133 Mbbls)
	Iodine	322 tons
	Electric power generation	88 millions kWh

- Notes:
- The volume of LPG produced overseas is included in 'Crude oil.' On the other hand, the volume of LPG produced in the domestic refinery is included in 'Petroleum Products.'
  - A portion of crude oil production volume is consumed as material for petroleum products.
  - A portion of crude oil and natural gas production volume is consumed as fuel to generate electricity.
  - 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.
  - 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 92 MMbbls (334 Mbbls per day) of crude oil, 409 Bcf (1,488MMcf per day) of natural gas, and in total 160 MMboe (582 Mboe per day). For calculating the gas production based on interest share, 100% of the gas production volume measured at wellhead (separator gas) had been used until the year ended March 31, 2009. However, from the year ended March 31, 2010, the Company applies marketable gas volume basically adjusted for delivery specifications, excluding own fuel consumption, re-injection, losses as flare, diffusion, process loss and inert gas generated at plant etc.
  - Boe means barrels of oil equivalent.
  - The volume of petroleum products is converted to bbl in parenthesis. Applied coefficient is 6.29 bbls per kl.
  - Iodine is refined by other company on consignment.
  - Figures are rounded to the nearest whole number.

The following table shows actual production by segment for the nine months ended December 31, 2010

Segment	Category	For the nine months ended December 31, 2010
Japan	Crude oil	1.0 MMbbls (3.5 Mbbls per day)
	Natural gas	30.8 Bcf (111.9 MMcf per day)
	Subtotal	6.1 MMboe (22.2 Mboe per day)
	Petroleum products	177.8 Mkl (1,118.1 Mbbls)
	Iodine	324.0 tons
	Electric power generation	128.0 millions kWh
Asia - Oceania	Crude oil	19.5 MMbbls (71.0 Mbbls per day)
	Natural gas	246.8 Bcf (897.5 MMcf per day)
	Subtotal	60.7 MMboe (220.6 Mboe per day)
Eurasia (Europe - NIS)	Crude oil	7.7 MMbbls (28.2 Mbbls per day)
Middle East - Africa	Crude oil	36.3 MMbbls (132.2 Mbbls per day)
Americas	Crude oil	2.1 MMbbls (7.5 Mbbls per day)
	Natural gas	23.0 Bcf (83.7 MMcf per day)
	Subtotal	5.9 MMbbls (21.5 Mboe per day)
Total	Crude oil	66.7 MMbbls (242.4 Mbbls per day)
	Natural gas	300.6 Bcf (1,093.1 MMcf per day)
	Subtotal	116.8 MMboe (424.6 Mboe per day)
	Petroleum products	177.8 Mkl (1,118.1 Mbbls)
	Iodine	324.0 tons
	Electric power generation	128.0 millions kWh

- Notes:
1. The volume of LPG produced overseas is included in 'Crude oil.' On the other hand, the volume 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 nine months ended December 31 regardless of a closing date of fiscal periods of its subsidiaries or affiliates.
  5. 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 95.4 MMbbls (347.0 Mbbls per day) of crude oil, 406.3 Bcf (1,477.5 MMcf per day) of natural gas, and in total 163.1 MMboe (593.2 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 other company on consignment.
  9. Figures are rounded to the nearest whole number.



2) Orders received

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

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 most of 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) The following table shows sales by business segment for the nine months ended December 31, 2009:

(Millions of yen)

Business segment	Category	For the nine months ended December 31, 2009	
		Crude oil and natural gas	Crude Oil
Natural Gas	310,071 MMcf		236,735
	LPG: 2,655 Mbbls		
Other	17,518		
Subtotal	613,989		
Other		1,989	
Total		615,979	

- 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 their operating results for the nine months ended September 30, 2009 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.

c) The following table shows sales by segment for the nine months ended December 31, 2010:

(Millions of yen)

Segment	Category	For the nine months ended December 31, 2010	
		Sales volume	Net sales
Japan	Crude Oil	74 Mbbls	556
	Natural Gas (excluding LPG)	43,172 MMcf	49,918
	LPG	174 Mbbls	1,915
	Other		20,141
	Subtotal		72,531
Asia - Oceania	Crude Oil	14,804 Mbbls	104,474
	Natural Gas (excluding LPG)	231,571 MMcf	187,288
	LPG	2,984 Mbbls	17,267
	Subtotal		309,029
Eurasia (Europe - NIS)	Crude Oil	6,627 Mbbls	46,855
Middle East - Africa	Crude Oil	35,559 Mbbls	242,665
Americas	Crude Oil	1,022 Mbbls	6,411
	Natural Gas (excluding LPG)	23,066 MMcf	4,406
	Subtotal		10,818
Total	Crude Oil	58,085 Mbbls	400,963
	Natural Gas (excluding LPG)	297,809 MMcf	241,612
	LPG	3,159 Mbbls	19,182
	Other		20,141
	Total		681,899

- 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 their operating results for the nine months ended September 30, 2010 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.
  4. Sales for a major customer 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.

Customer	For the nine months ended December 31, 2009		For the nine months ended December 31, 2010	
	Amounts (Millions of yen)	Ratio (%)	Amounts (Millions of yen)	Ratio (%)
PERTAMINA	178,064	28.9	194,029	28.5