

Consolidated Financial Results for the Nine Months ended December 31, 2016 [Japanese GAAP]

February 10, 2017

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

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 Scheduled date of filing Quarterly Financial Report : February 14, 2017
 Scheduled date of payment of cash dividends : —
 Preparation of supplementary explanatory materials : Yes
 Meeting of quarterly financial results presentation : No

(Amounts less than one million yen are rounded off)

1. Consolidated Financial Results for the Nine Months ended December 31, 2016 (April 1, 2016-December 31, 2016)

(1) Consolidated operating results

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

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
For the nine months ended December 31, 2016	623,489	(22.9)	235,808	(30.3)	256,569	(27.6)	47,929	(28.9)
December 31, 2015	809,091	(12.7)	338,354	(25.3)	354,339	(28.0)	67,453	(33.7)

(Note): Consolidated comprehensive income: for the nine months ended December 31, 2016, ¥1,306 million; (—%)
 for the nine months ended December 31, 2015, ¥(9,174) million; (—%)

	Net income per share—basic	Net income per share—diluted
For the nine months ended December 31, 2016	Yen 32.82	Yen —
December 31, 2015	46.19	—

(2) Consolidated financial position

	Total assets	Net assets	Net assets excluding non-controlling interests as a percentage of total assets
As of December 31, 2016	Millions of Yen 4,371,264	Millions of Yen 3,158,850	% 66.6
As of March 31, 2016	4,369,841	3,178,803	67.1

(Reference): Net assets excluding non-controlling interests: as of December 31, 2016, ¥2,911,891 million
 as of March 31, 2016, ¥2,932,892 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, 2016	Yen —	Yen 9.00	Yen —	Yen 9.00	Yen 18.00
For the year ending March 31, 2017	—	9.00	—		
For the year ending March 31, 2017 (forecast)				9.00	18.00

(Note): 1. Changes in projected dividends for the year ending March 31, 2017 from the previous forecast: None

2. Above information of "Dividends" is regarding common stock. For information regarding Class A stock (which is not listed), please refer to Exhibit "Dividends of Class A stock".

3. Forecasted Consolidated Financial Results for the year ending March 31, 2017 (April 1, 2016-March 31, 2017)

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

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Net income per share
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
For the year ending March 31, 2017	878,000	(13.0)	335,000	(14.1)	340,000	(9.3)	48,000	186.1	32.87

(Note): Changes in forecasted consolidated financial results for the year ending March 31, 2017 from the previous forecast: Yes

Notes

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

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

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

1. Changes in accounting policies resulting from the revision of the accounting standards and other regulations : None

2. Other changes in accounting policies : None

3. Changes in accounting estimates : Yes

4. Restatement of corrections : None

(Note): Please refer to "2.(3) Changes in accounting policies, accounting estimates and restatement of corrections" on page 5 for further information.

(4) Number of shares issued (Common stock)

1. Number of shares issued at the end of the period 1,462,323,600 shares as of December 31, 2016

(including treasury stock): 1,462,323,600 shares as of March 31, 2016

2. Number of treasury stock at the end of the period: 1,966,500 shares as of December 31, 2016

1,966,400 shares as of March 31, 2016

3. Average number of shares: 1,460,357,160 shares for the nine months ended December 31, 2016

1,460,357,200 shares for the nine months ended December 31, 2015

* 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) Explanation regarding future forecast information such as Forecasts for Consolidated Financial Results" on page 4.

Exhibit:

Dividends of Class A stock

	Cash dividends per share				
	At 1st quarter end	At 2nd quarter end	At 3rd quarter end	At fiscal year end	Total
	Yen	Yen	Yen	Yen	Yen
For the year ended March 31, 2016	—	3,600.00	—	3,600.00	7,200.00
For the year ending March 31, 2017	—	3,600.00	—		
For the year ending March 31, 2017 (forecast)				3,600.00	7,200.00

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1. Qualitative Information/Financial Statements

(1) Explanation on Consolidated Financial Results

Net sales for the nine months ended December 31, 2016 decreased by ¥185.6 billion, or 22.9%, to ¥623.4 billion from the corresponding period of the previous fiscal year due to a decrease in sales prices of crude oil and natural gas.

Net sales of crude oil decreased by ¥107.2 billion, or 19.4%, to ¥444.3 billion, and net sales of natural gas decreased by ¥77.8 billion, or 31.5%, to ¥169.5 billion.

Sales volume of crude oil increased by 6,318 thousand barrels, or 7.3%, to 92,741 thousand barrels. Sales volume of natural gas decreased by 214 million cf, or 0.1%, to 249,896 million cf. Sales volume of overseas natural gas decreased by 3,473 million cf, or 1.7%, to 201,647 million cf, and sales volume of domestic natural gas increased by 87 million m³, or 7.2%, to 1,293 million m³ (48,249million cf).

The average sales price of overseas crude oil decreased by US\$7.87, or 15.0%, to US\$44.62 per barrel. Meanwhile, the average sales price of overseas natural gas decreased by US\$1.98, or 28.2%, to US\$5.04 per thousand cf. In addition, the average sales price of domestic natural gas decreased by ¥10.08, or 19.0%, to ¥43.11 per m³. The average exchange rate of the Japanese yen against the U.S. dollar on consolidated net sales appreciated by ¥14.24, or 11.7%, to ¥107.14 per U.S. dollar from the corresponding period of the previous fiscal year.

The decrease of ¥185.6 billion in net sales was mainly derived from the following factors: regarding net sales of crude oil and natural gas, an increase in sales volume contributing ¥40.4 billion to the increase, a decrease in unit sales price pushing sales down of ¥151.6 billion, the appreciation of the Japanese yen against the U.S. dollar pushing sales down of ¥73.9 billion, and a decrease in net sales excluding crude oil and natural gas of ¥0.4 billion.

Cost of sales for the nine months ended December 31, 2016 decreased by ¥77.2 billion, or 19.2%, to ¥324.9 billion due mainly to the appreciation of the Japanese yen against the U.S. dollar. Exploration expenses increased by ¥1.4 billion, or 36.2%, to ¥5.4 billion due mainly to an increase in exploration activities in Japan. Selling, general and administrative expenses decreased by ¥7.2 billion, or 11.2%, to ¥57.2 billion. As a result, operating income decreased by ¥102.5 billion, or 30.3%, to ¥235.8 billion.

Other income decreased by ¥22.8 billion, or 46.0%, to ¥26.7 billion due to decreases in gain on sales of marketable securities, foreign exchange gain and others. Other expenses decreased by ¥27.6 billion, or 82.1%, to ¥5.9 billion due to a decrease in provision for allowance for recoverable accounts under production sharing and others. As a result, ordinary income and income before income taxes decreased by ¥97.7 billion, or 27.6%, to ¥256.5 billion.

Total amount of current income taxes and deferred income taxes decreased by ¥104.9 billion, or 34.6%, to ¥198.3 billion, net income increased by ¥7.2 billion, or 14.1%, to ¥58.2 billion, and net income attributable to non-controlling interests was ¥10.3 billion. As a result of the above effects, net income attributable to owners of parent for the nine months ended December 31, 2016 decreased by ¥19.5 billion, or 28.9%, to ¥47.9 billion.

Financial results by segment are as follows:

1) Japan

Net sales decreased by ¥9.1 billion, or 11.7%, to ¥68.4 billion due to a decrease in sales prices of crude oil and natural gas, despite an increase in sales volume. Meanwhile, operating income increased by ¥1.7 billion, or 38.7%, to ¥6.3 billion due to a decrease in cost of sales and others.

2) Asia & Oceania

Net sales decreased by ¥90.1 billion, or 36.2%, to ¥159.0 billion due to decreases in sales volume and sales prices of crude oil and natural gas, and the appreciation of the Japanese yen against the U.S. dollar. Operating income decreased by ¥54.1 billion, or 60.2%, to ¥35.7 billion.

3) Eurasia (Europe & NIS)

Net sales decreased by ¥4.2 billion, or 8.3%, to ¥47.2 billion due to a decrease in sales price of crude oil and the appreciation of the Japanese yen against the U.S. dollar, despite an increase in sales volume. Operating income decreased by ¥1.9 billion, or 16.3%, to ¥10.2 billion.

4) Middle East & Africa

Net sales decreased by ¥79.2 billion, or 18.9%, to ¥341.1 billion due to a decrease in sales price of crude oil and the appreciation of the Japanese yen against the U.S. dollar, despite an increase in sales volume. Operating income decreased by ¥48.8 billion, or 19.9%, to ¥197.1 billion.

5) Americas

Net sales decreased by ¥2.7 billion, or 26.5%, to ¥7.6 billion due to a decrease in sales prices of crude oil and natural gas and the appreciation of the Japanese yen against the U.S. dollar, despite an increase in sales volume. Operating loss increased by ¥0.4 billion, or 6.3%, to ¥7.1 billion.

(2) Explanation on Consolidated Financial Position

Total assets as of December 31, 2016 increased by ¥1.4 billion to ¥4,371.2 billion from ¥4,369.8 billion as of March 31, 2016. Current assets increased by ¥99.3 billion to ¥1,083.6 billion due to an increase in recoverable accounts under production sharing and others. Fixed assets decreased by ¥97.9 billion to ¥3,287.5 billion due to a decrease in investments and other assets and others. Meanwhile, total liabilities increased by ¥21.3 billion to ¥1,212.4 billion from ¥1,191.0 billion as of March 31, 2016. Current liabilities increased by ¥57.2 billion to ¥376.3 billion and long-term liabilities decreased by ¥35.8 billion to ¥836.0 billion. Net assets decreased by ¥19.9 billion to ¥3,158.8 billion. Total shareholders' equity increased by ¥21.6 billion to ¥2,558.6 billion. Total accumulated other comprehensive income decreased by ¥42.6 billion to ¥353.2 billion and non-controlling interests in net assets increased by ¥1.0 billion to ¥246.9 billion.

Cash and cash equivalents as of December 31, 2016 totaled ¥180.8 billion reflecting a net increase of ¥127.0 billion from ¥53.8 billion at the end of the previous fiscal year.

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

1) Cash flows from operating activities

Net cash provided by operating activities increased by ¥34.3 billion to ¥185.8 billion from the corresponding period of the previous fiscal year. This is due mainly to decreases in income taxes paid and recoverable accounts under production sharing (operating expenditures), despite a decrease in income before income taxes owing to a decrease in sales prices of crude oil and natural gas.

2) Cash flows from investing activities

Net cash used in investing activities decreased by ¥333.9 billion to ¥91.5 billion from the corresponding period of the previous fiscal year. This is due mainly to the lack of payments for purchases of mining rights and a decrease in long-term loans made.

3) Cash flows from financing activities

Net cash provided by financing activities decreased by ¥118.9 billion to ¥29.0 billion from the corresponding period of the previous fiscal year. This is due mainly to decreases in proceeds from long-term debt and proceeds from non-controlling interests for additional shares, despite proceeds from issuance of commercial papers .

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

Consolidated financial forecasts for the year ending March 31, 2017 have been revised taking into consideration the consolidated financial results for the nine months ended December 31, 2016 as well as revised crude oil price forecasts for the three months ending March 31, 2017, among other factors.

A certain amount of loss associated with asset portfolio reviews, etc. has been factored into the consolidated financial forecasts for the year ending March 31, 2017.

Forecasts for consolidated financial results for the year ending March 31, 2017 (Millions of yen)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent
Previous Forecasts: A	830,000	283,000	284,000	26,000
Revised Forecasts: B	878,000	335,000	340,000	48,000
Increase (Decrease): B-A	48,000	52,000	56,000	22,000
Percentage change (%)	5.8	18.4	19.7	84.6

The above forecasts are calculated based on the following assumptions:

	Previous Forecasts	Revised Forecasts
Crude oil price (Brent)	1st Half : US\$ 47.0/bbl (Actual) 2nd Half: US\$ 50.0/bbl Full Year: US\$ 48.5/bbl (Average)	1st Half: US\$ 47.0/bbl (Actual) 2nd Half: US\$ 53.0/bbl *1 Full Year: US\$ 50.0/bbl (Average)
Exchange rate	1st Half: ¥105.3/US\$ (Actual) 2nd Half: ¥105.0/US\$ Full Year: ¥105.1/US\$ (Average)	1st Half: ¥105.3/US\$ (Actual) 2nd Half: ¥112.2/US\$ *2 Full Year: ¥108.7/US\$ (Average)

*1 3rd quarter (Actual) : US\$51.1/bbl

4th quarter (Forecast) : US\$ 55.0/bbl

*2 3rd quarter (Actual) : ¥109.5/US\$

4th quarter (Forecast) : ¥115.0/US\$

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

2. Notes Regarding Summary Information (Notes)

(1) Significant changes in scope of consolidation:

None

(2) Adoption of accounting treatments which are exceptional for quarterly consolidated financial statements:

None

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

(Changes in accounting policies)

(Change in useful life)

The Company reviewed the period of economic estimated use of structures (pipelines) considering the progress of initiatives on strengthening our gas supply chain defined in the "Medium- to Long-Term Vision", actual use records and others since the Toyama Line commences operation this fiscal year. It was confirmed that they could be used longer than their conventional useful lives, which had been based on the method prescribed in the Corporation Tax Act, and the Company has changed their useful lives from the three months ended June 30, 2016.

As a result, compared with the conventional method, operating income, ordinary income and income before income taxes for the nine months ended December 31, 2016 increased by ¥5,207 million, respectively.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Millions of yen)

Accounts	As of March 31, 2016	As of December 31, 2016
(Assets)		
Current assets		
Cash and deposits	772,528	797,741
Accounts receivable-trade	56,462	79,220
Marketable securities	—	5,507
Inventories	35,915	30,991
Recoverable accounts under production sharing	—	65,502
Other	132,515	120,213
Less allowance for doubtful accounts	(13,076)	(11,168)
Less allowance for recoverable accounts under production sharing	—	(4,321)
Total current assets	984,345	1,083,686
Fixed assets		
Tangible fixed assets		
Buildings and structures, net	124,900	204,307
Wells, net	51,257	36,393
Machinery, equipment and vehicles, net	130,796	126,420
Land	19,673	19,635
Construction in progress	1,407,490	1,497,266
Other, net	18,495	15,662
Total tangible fixed assets	1,752,614	1,899,685
Intangible assets		
Goodwill	67,558	62,488
Other	473,912	427,492
Total intangible assets	541,471	489,981
Investments and other assets		
Investment securities	213,730	183,556
Recoverable accounts under production sharing	727,771	614,020
Other	291,535	216,373
Less allowance for doubtful accounts	(7,814)	(7,982)
Less allowance for recoverable accounts under production sharing	(131,765)	(105,641)
Less allowance for investments in exploration	(2,046)	(2,414)
Total investments and other assets	1,091,410	897,912
Total fixed assets	3,385,496	3,287,578
Total assets	4,369,841	4,371,264

(Millions of yen)

Accounts	As of March 31, 2016	As of December 31, 2016
(Liabilities)		
Current liabilities		
Accounts payable-trade	47,351	47,121
Short-term loans	68,468	44,244
Commercial papers	—	96,999
Income taxes payable	42,845	50,121
Provision for loss on business	—	4,453
Provision for exploration projects	4,781	4,046
Accrued bonuses to officers	55	41
Asset retirement obligations	2,233	758
Other	153,390	128,569
Total current liabilities	319,127	376,356
Long-term liabilities		
Long-term debt	673,098	666,234
Provision for loss on business	4,737	—
Accrued special repair and maintenance	293	326
Liability for retirement benefits	7,461	7,410
Asset retirement obligations	100,829	105,709
Other	85,490	56,377
Total long-term liabilities	871,911	836,057
Total liabilities	1,191,038	1,212,414
(Net assets)		
Shareholders' equity		
Common stock	290,809	290,809
Capital surplus	676,273	676,273
Retained earnings	1,575,136	1,596,778
Treasury stock	(5,248)	(5,248)
Total shareholders' equity	2,536,971	2,558,613
Accumulated other comprehensive income		
Unrealized holding gain on securities	4,958	12,120
Unrealized loss from hedging instruments	(6,660)	(3,792)
Translation adjustments	397,622	344,949
Total accumulated other comprehensive income	395,921	353,277
Non-controlling interests	245,910	246,958
Total net assets	3,178,803	3,158,850
Total liabilities and net assets	4,369,841	4,371,264

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

(Millions of yen)

Accounts	For the nine months ended December 31, 2015	For the nine months ended December 31, 2016
Net sales	809,091	623,489
Cost of sales	402,262	324,992
Gross profit	406,828	298,497
Exploration expenses	3,999	5,447
Selling, general and administrative expenses	64,474	57,240
Operating income	338,354	235,808
Other income		
Interest income	7,487	8,512
Dividend income	3,480	2,044
Gain on sales of marketable securities	11,488	—
Equity in earnings of affiliates	—	523
Foreign exchange gain	12,252	711
Other	14,875	14,967
Total other income	49,584	26,759
Other expenses		
Interest expense	2,932	3,847
Equity in losses of affiliates	1,107	—
Provision for allowance for recoverable accounts under production sharing	22,192	317
Provision for exploration projects	305	—
Other	7,061	1,834
Total other expenses	33,599	5,999
Ordinary income	354,339	256,569
Income before income taxes	354,339	256,569
Income taxes-current	293,785	220,615
Income taxes-deferred	9,523	(22,289)
Total income taxes	303,309	198,325
Net income	51,030	58,244
Net income (loss) attributable to non-controlling interests	(16,423)	10,315
Net income attributable to owners of parent	67,453	47,929

Consolidated Statement of Comprehensive Income

(Millions of yen)

Accounts	For the nine months ended December 31, 2015	For the nine months ended December 31, 2016
Net income	51,030	58,244
Other comprehensive income		
Unrealized holding gain (loss) on securities	(19,862)	7,144
Translation adjustments	(57,761)	(62,089)
Share of other comprehensive income of associates accounted for by the equity method	17,418	(1,992)
Total other comprehensive income	(60,205)	(56,938)
Comprehensive income	(9,174)	1,306
Total comprehensive income attributable to		
Owners of parent	27,792	5,285
Non-controlling interests	(36,967)	(3,979)

(3) Consolidated Statement of Cash Flows

(Millions of yen)

Accounts	For the nine months ended December 31, 2015	For the nine months ended December 31, 2016
Cash flows from operating activities		
Income before income taxes	354,339	256,569
Depreciation and amortization	58,754	67,541
Amortization of goodwill	5,070	5,070
Provision for allowance for recoverable accounts under production sharing	23,709	970
Provision for exploration projects	(2,360)	(493)
Other provisions	(174)	(1,912)
Liability for retirement benefits	152	(20)
Interest and dividend income	(10,750)	(10,560)
Interest expense	2,275	3,705
Foreign exchange loss (gain)	3,467	(1,394)
Equity in losses (earnings) of affiliates	1,107	(523)
Loss (gain) on sales of marketable securities	(11,488)	—
Recovery of recoverable accounts under production sharing (capital expenditures)	39,856	61,268
Recoverable accounts under production sharing (operating expenditures)	(36,754)	(4,300)
Accounts receivable-trade	4,669	(22,876)
Inventories	(5,822)	6,862
Accounts payable-trade	3,379	318
Other	32,001	1,785
Subtotal	461,434	362,010
Interest and dividends received	19,543	15,055
Interest paid	(1,693)	(2,348)
Income taxes paid	(327,827)	(188,890)
Net cash provided by (used in) operating activities	151,455	185,827

(Millions of yen)

Accounts	For the nine months ended December 31, 2015	For the nine months ended December 31, 2016
Cash flows from investing activities		
Payments for time deposits	(376,014)	(355,238)
Proceeds from time deposits	680,979	650,928
Payments for long-term time deposits	(439,989)	—
Payments for purchases of tangible fixed assets	(371,123)	(213,804)
Proceeds from sales of tangible fixed assets	1,038	3,174
Payments for purchases of intangible assets	(20,171)	(19,462)
Proceeds from sales and redemptions of marketable securities	115,112	—
Payments for purchases of investment securities	(6,658)	(13,970)
Proceeds from sales and redemptions of investment securities	27,700	—
Investment in recoverable accounts under production sharing (capital expenditures)	(54,105)	(33,910)
Decrease (increase) in short-term loans receivable	(7,285)	(2,344)
Long-term loans made	(218,249)	(131,328)
Collection of long-term loans receivable	389,862	254
Payments for purchase of mining rights	(134,383)	—
Other	(12,206)	24,147
Net cash provided by (used in) investing activities	(425,492)	(91,553)
Cash flows from financing activities		
Increase (decrease) in commercial papers	—	96,999
Increase (decrease) in short-term loans	198	(23)
Proceeds from long-term debt	116,120	11,760
Repayments of long-term debt	(22,694)	(58,323)
Proceeds from non-controlling interests for additional shares	84,751	8,967
Cash dividends paid	(26,302)	(26,292)
Cash dividends paid to non-controlling interests	(3,939)	(3,939)
Other	(61)	(64)
Net cash provided by (used in) financing activities	148,072	29,085
Effect of exchange rate changes on cash and cash equivalents	(2,495)	3,717
Net increase (decrease) in cash and cash equivalents	(128,459)	127,076
Cash and cash equivalents at beginning of the period	260,978	53,813
Cash and cash equivalents at end of the period	132,518	180,889

(4) Notes to Consolidated Financial Statements

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

For the nine months ended December 31, 2016 (April 1, 2016 through December 31, 2016):

None

(Note on significant changes in shareholders' equity)

For the nine months ended December 31, 2016 (April 1, 2016 through December 31, 2016):

None

(Segment information)

I. For the nine months ended December 31, 2015 (April 1, 2015 through December 31, 2015)

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

(Millions of yen)

	Reportable segments						Adjustments *1	Consolidated *2
	Japan	Asia & Oceania	Eurasia (Europe & NIS)	Middle East & Africa	Americas	Total		
Net sales								
Sales to third parties	77,564	249,180	51,509	420,378	10,457	809,091	—	809,091
Intercompany sales and transfers between segments	—	—	—	—	—	—	—	—
Total	77,564	249,180	51,509	420,378	10,457	809,091	—	809,091
Segment income (loss)	4,577	89,910	12,290	246,040	(6,725)	346,092	(7,737)	338,354

Note: 1. Adjustments of segment income of ¥(7,737) million include elimination of inter-segment transactions of ¥152 million and corporate expenses of ¥(7,890) million. Corporate expenses are mainly amortization of goodwill and general administrative expenses that are not allocated to a reportable segment.

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

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

None

II. For the nine months ended December 31, 2016 (April 1, 2016 through December 31, 2016)

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

(Millions of yen)

	Reportable segments						Adjustments *1	Consolidated *2
	Japan	Asia & Oceania	Eurasia (Europe & NIS)	Middle East & Africa	Americas	Total		
Net sales								
Sales to third parties	68,456	159,001	47,214	341,135	7,681	623,489	—	623,489
Intercompany sales and transfers between segments	—	—	—	—	—	—	—	—
Total	68,456	159,001	47,214	341,135	7,681	623,489	—	623,489
Segment income (loss)	6,347	35,798	10,291	197,141	(7,149)	242,429	(6,620)	235,808

Note: 1. Adjustments of segment income of ¥(6,620) million include elimination of inter-segment transactions of ¥9 million and corporate expenses of ¥(6,629) million. Corporate expenses are mainly amortization of goodwill and general administrative expenses that are not allocated to a reportable segment.

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

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

None

3. Disclosure of changes, etc. in reportable segments

(Change in useful life)

As described in “(3) Changes in accounting policy, accounting estimates and restatement of corrections” in “2. Notes Regarding Summary Information (Notes)”, The Company reviewed the period of economic estimated use of structures (pipelines) considering the progress of initiatives on strengthening our gas supply chain defined in the "Medium- to Long-Term Vision", actual use records and others since the Toyama Line commences operation this fiscal year. It was confirmed that they could be used longer than their conventional useful lives, which had been based on the method prescribed in the Corporation Tax Act, and the Company has changed their useful lives from the three months ended June 30, 2016.

As a result, compared with the conventional method, "Japan" segment income for the nine months ended December 31, 2016 increased by ¥5,207 million.

(Subsequent events)

For the nine months ended December 31, 2016 (April 1, 2016 through December 31, 2016):

None

4. Supplementary Information

(1) Production, Orders Received and Sales Performance

1) Actual production

The following table shows actual production by segment:

Segment	Category	For the nine months ended December 31, 2015	For the nine months ended December 31, 2016
Japan	Crude oil	0.8 MMbbls (3.0 Mbbls per day)	0.9 MMbbls (3.2 Mbbls per day)
	Natural gas	30.2 Bcf (109.9 MMcf per day)	33.0 Bcf (120.2 MMcf per day)
	Subtotal	6.5 MMboe (23.7 Mboe per day)	7.1 MMboe (25.8 Mboe per day)
	Iodine	377.7 tons	422.9 tons
	Electric power generation	146.5 million kWh	149.4 million kWh
Asia & Oceania	Crude oil	13.6 MMbbls (49.5 Mbbls per day)	10.2 MMbbls (37.1 Mbbls per day)
	Natural gas	197.2 Bcf (717.2 MMcf per day)	184.7 Bcf (671.5 MMcf per day)
	Subtotal	50.7 MMboe (184.3 Mboe per day)	44.9 MMboe (163.4 Mboe per day)
Eurasia (Europe & NIS)	Crude oil	8.6 MMbbls (31.2 Mbbls per day)	8.3 MMbbls (30.0 Mbbls per day)
	Natural gas	—	0.6 Bcf (2.0 MMcf per day)
	Subtotal	8.6 MMboe (31.2 Mboe per day)	8.4 MMboe (30.4 Mboe per day)
Middle East & Africa	Crude oil	67.9 MMbbls (246.9 Mbbls per day)	74.3 MMbbls (270.1 Mbbls per day)
Americas	Crude oil	2.1 MMbbls (7.5 Mbbls per day)	2.1 MMbbls (7.6 Mbbls per day)
	Natural gas	23.1 Bcf (83.8 MMcf per day)	32.1 Bcf (116.9 MMcf per day)
	Subtotal	6.2 MMboe (22.4 Mboe per day)	7.9 MMboe (28.6 Mboe per day)
Total	Crude oil	93.0 MMbbls (338.2 Mbbls per day)	95.7 MMbbls (348.0 Mbbls per day)
	Natural gas	250.5 Bcf (910.9 MMcf per day)	250.4 Bcf (910.6 MMcf per day)
	Subtotal	139.8 MMboe (508.5 Mboe per day)	142.5 MMboe (518.3 Mboe per day)
	Iodine	377.7 tons	422.9 tons
	Electric power generation	146.5 million kWh	149.4 million kWh

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

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

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

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

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

Figures calculated by multiplying the gross production volume by the Company's interest share are 109.8 MMbbls (399.4 Mbbls per day) of crude oil, 325.4 Bcf (1,183.4 MMcf per day) of natural gas, and in total 170.8 MMboe (621.0 Mboe per day) for the nine months ended December 31, 2015, and 114.0 MMbbls (414.6 Mbbls per day) of crude oil, 313.6 Bcf (1,140.5 MMcf per day) of natural gas, and in total 172.8 MMboe (628.3 Mboe per day) for the nine months ended December 31, 2016.

5. Boe means barrels of oil equivalent.

6. Iodine is refined by other company on consignment.

7. Figures are rounded to one decimal place.

2) Orders received

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

3) Actual sales

The following table shows sales by segment:

(Millions of yen)

Segment	Category	For the nine months ended December 31, 2015		For the nine months ended December 31, 2016	
		Sales volume	Net sales	Sales volume	Net sales
Japan	Crude oil	501 Mbbls	3,385	598 Mbbls	3,160
	Natural gas (excluding LPG)	44,989 MMcf	64,117	48,249 MMcf	55,737
	LPG	5 Mbbls	31	4 Mbbls	20
	Other		10,030		9,537
	Subtotal		77,564		68,456
Asia & Oceania	Crude oil	10,489 Mbbls	69,363	9,779 Mbbls	46,901
	Natural gas (excluding LPG)	179,616 MMcf	170,722	172,518 MMcf	106,541
	LPG	1,952 Mbbls	9,094	1,621 Mbbls	5,558
	Subtotal		249,180		159,001
Eurasia (Europe & NIS)	Crude oil	7,917 Mbbls	51,509	9,258 Mbbls	47,147
	Natural gas (excluding LPG)	—	—	511 MMcf	66
	Subtotal		51,509		47,214
Middle East & Africa	Crude oil	66,248 Mbbls	420,378	71,489 Mbbls	341,135
Americas	Crude oil	1,267 Mbbls	7,000	1,619 Mbbls	6,023
	Natural gas (excluding LPG)	25,505 MMcf	3,457	28,619 MMcf	1,657
	Subtotal		10,457		7,681
Total	Crude oil	86,423 Mbbls	551,637	92,741 Mbbls	444,369
	Natural gas (excluding LPG)	250,110 MMcf	238,297	249,896 MMcf	164,003
	LPG	1,957 Mbbls	9,125	1,625 Mbbls	5,579
	Other		10,030		9,537
	Total		809,091		623,489

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

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

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