

**Consolidated Financial Results for the Three Months ended June 30, 2019 [Japanese GAAP]**

August 8, 2019

**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 <https://www.inpex.co.jp>  
 Representative : Takayuki Ueda, President  
 Contact person : Munehiro Hosono, General Manager, Corporate Communications Unit  
 TEL+81-3-5572-0233  
 Scheduled date of filing Quarterly Financial Report : August 9, 2019  
 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 Three Months ended June 30, 2019 (April 1, 2019-June 30, 2019)**

**(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 three months ended June 30, 2019	287,401	42.0	146,277	40.7	130,968	12.7	29,696	76.6
June 30, 2018	202,351	(7.1)	103,956	19.2	116,222	21.7	16,812	(16.0)

(Note): Consolidated comprehensive income: for the three months ended June 30, 2019, ¥(31,884) million; (—%)  
 for the three months ended June 30, 2018, ¥42,376 million; (—%)

	Net income per share—basic	Net income per share—diluted
For the three months ended June 30, 2019	20.34	—
June 30, 2018	11.51	—

**(2) Consolidated financial position**

	Total assets	Net assets	Net assets excluding non-controlling interests as a percentage of total assets
	Millions of Yen	Millions of Yen	%
As of June 30, 2019	4,750,930	3,205,893	62.1
As of March 31, 2019	4,793,545	3,257,584	62.7

(Reference): Net assets excluding non-controlling interests: as of June 30, 2019, ¥2,952,091 million  
 as of March 31, 2019, ¥3,006,480 million

**2. Dividends**

	Cash dividends per share				
	At 1st quarter end	At 2nd quarter end	At 3rd quarter end	At fiscal year end	Total
	Yen	Yen	Yen	Yen	Yen
For the year ended March 31, 2019	—	9.00	—	15.00	24.00
For the year ending December 31, 2019	—				
For the year ending December 31, 2019 (forecast)		12.00	—	12.00	24.00

(Note): 1. Changes in projected dividends for the year ending December 31, 2019 from the previous forecast: None  
 2. Breakdown of year-end dividend for the year ended March 31, 2019: Ordinary dividend of 9.00 yen Commemorative dividend of 6.00 yen  
 3. "Dividends" as stated above refer to common stock. For information regarding Class A stock (not listed), please refer to Exhibit "Dividends of Class A stock".  
 4. At the Annual General Meeting of Shareholders held on June 25, 2019, "Partial Amendments to the Articles of Incorporation" were approved, changing the fiscal year-end from March 31 to December 31, effective fiscal 2019. The consolidated accounting period for the fiscal year ending December 2019 will therefore be the nine-month period from April 1 to December 31, 2019.

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

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

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Net income per share
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
For the six months ending September 30, 2019	581,000	32.6	276,000	21.9	260,000	5.3	49,000	44.0	33.56
For the year ending December 31, 2019	988,000	—	472,000	—	460,000	—	90,000	—	61.64

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

At the Annual General Meeting of Shareholders held on June 25, 2019, "Partial Amendments to the Articles of Incorporation" were approved, changing the fiscal year-end from March 31 to December 31, effective fiscal 2019. The consolidated accounting period of the Company and its subsidiaries with provisional settlements of accounts\* for the fiscal year ending December 2019 will therefore be the nine-month period from April 1 to December 31, 2019, while the accounting periods of subsidiaries with a December 31 fiscal year-end will remain unchanged (January 1 - December 31, 2019).

\*Subsidiaries with a December 31 fiscal year-end that provisionally settled their accounts on March 31 due to the relatively large impact of their performance on the Company's consolidated financial accounts.

[Reference]

Percentage figures below (percentage of increase/decrease following adjustment) represent year-on-year changes based on adjusted figures from the nine-month period (April 1 - December 31, 2018) for the Company and subsidiaries with provisional settlements of accounts, and the 12-month period (January 1 - December 31, 2018) for subsidiaries with a December 31 fiscal year-end.

								(Millions of yen)
Net Sales		Operating income		Ordinary income		Net income attributable to owners of parent		
988,000	23.5%	472,000	14.1%	460,000	3.2%	90,000	72.1%	

## Notes

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

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

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

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

2. Other changes in accounting policies : None

3. Changes in accounting estimates : None

4. Restatement of corrections : None

(4) Number of shares issued (Common stock)

1. Number of shares issued at the end of the period 1,462,323,600 shares as of June 30, 2019

(including treasury stock): 1,462,323,600 shares as of March 31, 2019

2. Number of treasury stock at the end of the period: 2,123,234 shares as of June 30, 2019

2,123,800 shares as of March 31, 2019

3. Average number of shares: 1,460,199,941 shares for the three months ended June 30, 2019

1,460,357,100 shares for the three months ended June 30, 2018

(Note): The shares held by "the Board Incentive Plan Trust" are included in number of treasury stock at end of period.

(As of June 30, 2019: 156,734 shares As of March 31, 2019: 157,300 shares)

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

**\*Explanation regarding the appropriate use of estimated consolidated financial results**

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

4.

Exhibit:

Dividends of Class A stock

	Cash dividends per share				
	At 1st quarter end	At 2nd quarter end	At 3rd quarter end	At fiscal year end	Total
	Yen	Yen	Yen	Yen	Yen
For the year ended March 31, 2019	—	3,600.00	—	6,000.00	9,600.00
For the year ending December 31, 2019	—				
For the year ending December 31, 2019 (forecast)		4,800.00	—	4,800.00	9,600.00

(Note): 1. Breakdown of year-end dividend for the year ended March 31, 2019: Ordinary dividend of 3,600.00 yen  
Commemorative dividend: 2,400.00 yen

2. The Company conducted a stock split at a ratio of 1:400 of common stock effective October 1, 2013. However, for Class A stock (not listed), no stock split was implemented. The article specifying that dividends of Class A stock are equivalent to dividends of common stock prior to the stock split is included in the Articles of Incorporation.
3. At the Annual General Meeting of Shareholders held on June 25, 2019, "Partial Amendments to the Articles of Incorporation" were approved, changing the fiscal year-end from March 31 to December 31, effective fiscal 2019. The consolidated accounting period for the fiscal year ending December 2019 will therefore be the nine-month period from April 1 to December 31, 2019.

## Index of the Attachments

1. Qualitative Information / Financial Statements .....	2
(1) Explanation on Consolidated Financial Results.....	2
(2) Explanation on Consolidated Financial Position .....	2
(3) Explanation regarding future forecast information such as Forecasts for Consolidated Financial Results .....	4
2. Consolidated Financial Statements and Principal Notes .....	5
(1) Consolidated Balance Sheet .....	5
(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income .....	7
Consolidated Statement of Income .....	7
Consolidated Statement of Comprehensive Income .....	8
(3) Consolidated Statement of Cash Flows .....	9
(4) Notes to Consolidated Financial Statements .....	11
(Conditions or events that indicate there could be substantial doubt about the Company's ability to continue as a going concern) .....	11
(Note on significant changes in shareholders' equity) .....	11
(Segment information) .....	12
(Subsequent events) .....	12
3. Supplementary Information .....	13
(1) Production, Orders Received and Sales Performance.....	13

## 1. Qualitative Information/Financial Statements

### (1) Explanation on Consolidated Financial Results

Net sales for the three months ended June 30, 2019 increased by ¥85.0 billion, or 42.0%, to ¥287.4 billion from the corresponding period of the previous fiscal year due to an increase in sales volume, despite a decrease in sales price of crude oil.

Net sales of crude oil increased by ¥43.5 billion, or 25.7%, to ¥213.0 billion, and net sales of natural gas increased by ¥41.4 billion, or 142.2%, to ¥70.6 billion.

Sales volume of crude oil increased by 7,165 thousand barrels, or 32.5%, to 29,231 thousand barrels. Sales volume of natural gas increased by 64,942 million cf, or 184.6%, to 100,119 million cf. Sales volume of overseas natural gas increased by 64,707 million cf, or 370.6%, to 82,170 million cf, and sales volume of domestic natural gas increased by 6 million m<sup>3</sup>, or 1.3%, to 481 million m<sup>3</sup> (17,949 million cf).

The average sales price of overseas crude oil decreased by US\$4.30, or 6.1%, to US\$66.22 per barrel. In addition, the average sales price of overseas natural gas increased by US\$1.79, or 60.9%, to US\$4.73 per thousand cf. Meanwhile, the average sales price of domestic natural gas increased by ¥7.57, or 15.4%, to ¥56.68 per m<sup>3</sup>. The average exchange rate of the Japanese yen against the U.S. dollar on consolidated net sales depreciated by ¥1.26, or 1.2%, to ¥109.99 per U.S. dollar from the corresponding period of the previous fiscal year.

The increase of ¥85.0 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 ¥75.4 billion to the increase, an increase in unit sales price contributing ¥5.7 billion to the increase, the depreciation of the Japanese yen against the U.S. dollar contributing ¥3.8 billion to the increase, and a decrease in net sales excluding crude oil and natural gas of ¥0.0 billion.

Cost of sales for the three months ended June 30, 2019 increased by ¥41.2 billion, or 51.5%, to ¥121.3 billion. Exploration expenses increased by ¥1.8 billion to ¥2.0 billion. Selling, general and administrative expenses decreased by ¥0.3 billion, or 2.1%, to ¥17.7 billion. As a result, operating income increased by ¥42.3 billion, or 40.7%, to ¥146.2 billion.

Other income decreased by ¥14.0 billion, or 70.7%, to ¥5.8 billion due mainly to the absence of compensation income in the corresponding period of the previous fiscal year. Other expenses increased by ¥13.5 billion, or 177.5%, to ¥21.1 billion due mainly to equity in losses of affiliates and an increase in interest expense. As a result, ordinary income and income before income taxes increased by ¥14.7 billion, or 12.7%, to ¥130.9 billion.

Total amount of current income taxes and deferred income taxes increased by ¥4.6 billion, or 4.9%, to ¥99.8 billion, net income increased by ¥10.1 billion, or 48.2%, to ¥31.0 billion, and net income attributable to non-controlling interests was ¥1.3 billion. As a result of the above effects, net income attributable to owners of parent for the three months ended June 30, 2019 increased by ¥12.8 billion, or 76.6%, to ¥29.6 billion.

Financial results by segment are as follows:

#### 1) Japan

Net sales increased by ¥4.0 billion, or 14.2%, to ¥32.5 billion due to increases in sales volume and sales price of natural gas.

Operating income increased by ¥0.5 billion, or 9.3%, to ¥6.8 billion.

#### 2) Asia & Oceania

Net sales increased by ¥65.8 billion, or 919.5%, to ¥72.9 billion due to an increase in sales volume. Operating income totaled ¥37.3 billion compared with ¥1.3 billion of operating loss for the corresponding period of the previous fiscal year.

#### 3) Eurasia (Europe & NIS)

Net sales decreased by ¥13.4 billion, or 41.8%, to ¥18.6 billion due to decreases in sales volume and sales price of crude oil.

Operating income decreased by ¥6.8 billion, or 60.4%, to ¥4.4 billion.

#### 4) Middle East & Africa

Net sales increased by ¥29.4 billion, or 22.5%, to ¥160.6 billion due to an increase in sales volume, despite a decrease in sales price of crude oil. Operating income increased by ¥9.0 billion, or 9.7%, to ¥102.3 billion.

#### 5) Americas

Net sales decreased by ¥0.9 billion, or 26.5%, to ¥2.5 billion due to decreases in sales volume and sales price of crude oil.

Operating loss decreased by ¥8 million, or 2.2%, to ¥0.3 billion due to decreases in cost of sales and others.

### (2) Explanation on Consolidated Financial Position

Total assets as of June 30, 2019 decreased by ¥42.6 billion to ¥4,750.9 billion from ¥4,793.5 billion as of March 31, 2019. Current assets decreased by ¥49.8 billion to ¥407.8 billion due to decreases in cash and deposits and others. Fixed assets increased by ¥7.2 billion to ¥4,343.0 billion due to increases in intangible fixed assets, investments and other assets and others.

Meanwhile, total liabilities increased by ¥9.0 billion to ¥1,545.0 billion from ¥1,535.9 billion as of March 31, 2019. Current liabilities decreased by ¥11.4 billion to ¥360.5 billion and long-term liabilities increased by ¥20.5 billion to ¥1,184.4 billion.

Net assets decreased by ¥51.6 billion to ¥3,205.8 billion. Total shareholders' equity increased by ¥8.5 billion to ¥2,646.4 billion. Total accumulated other comprehensive income decreased by ¥62.9 billion to ¥305.6 billion and non-controlling interests in net assets increased by ¥2.6 billion to ¥253.8 billion.

Cash and cash equivalents as of June 30, 2019 totaled ¥170.3 billion reflecting a net decrease of ¥69.2 billion from ¥239.6 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 ¥19.3 billion to ¥61.1 billion from the corresponding period of the previous fiscal year. This is due mainly to increases in income before income taxes and depreciation and amortization (non-cash), despite an increase in income taxes paid.

2) Cash flows from investing activities

Net cash used in investing activities decreased by ¥273.2 billion to ¥151.3 billion from the corresponding period of the previous fiscal year. This is due mainly to the absence of payments for time deposits.

3) Cash flows from financing activities

Net cash provided by financing activities decreased by ¥236.9 billion to ¥25.0 billion from the corresponding period of the previous fiscal year. This is due mainly to the absence of proceeds from issuance of commercial papers and a decrease in proceeds from long-term debt.

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

Forecast for consolidated financial results for the six months ending September 30, 2019 and the year ending December 31, 2019 have been revised from the previous forecasts presented on May 13, 2019, taking into consideration the consolidated financial results for the three months ended June 30, 2019.

Forecasts for consolidated financial results for the six months ending September 30, 2019 (Millions of yen)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent
Previous Forecasts: A	549,000	244,000	228,000	44,000
Revised Forecasts: B	581,000	276,000	260,000	49,000
Increase (Decrease): B-A	32,000	32,000	32,000	5,000
Percentage change (%)	5.8	13.1	14.0	11.4

Forecasts for consolidated financial results for the year ending December 31, 2019 (Millions of yen)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent
Previous Forecasts: A	958,000	442,000	430,000	90,000
Revised Forecasts: B	988,000	472,000	460,000	90,000
Increase (Decrease): B-A	30,000	30,000	30,000	-
Percentage change (%)	3.1	6.8	7.0	-

The above forecasts are calculated based on the following assumptions:

	Previous Forecasts	Revised Forecasts
Crude oil price (Brent)	Full Year: US\$ 65.0/bbl (Average)	1st quarter (actual): US\$ 68.5/bbl From 2nd quarter: US\$ 65.0/bbl Full Year: US\$ 66.2/bbl (Average)
Exchange rate	Full Year: ¥110.0/US\$ (Average)	1st quarter (actual): ¥109.9/US\$ From 2nd quarter: ¥110.0/US\$ Full Year: ¥110.0/US\$ (Average)

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



## 2. Consolidated Financial Statements and Principal Notes

### (1) Consolidated Balance Sheet

(Millions of yen)

Accounts	As of March 31, 2019	As of June 30, 2019
(Assets)		
Current assets		
Cash and deposits	239,675	170,413
Accounts receivable-trade	92,217	123,104
Inventories	40,100	39,313
Other	98,975	88,191
Less allowance for doubtful accounts	(13,257)	(13,173)
Total current assets	457,711	407,849
Fixed assets		
Tangible fixed assets		
Buildings and structures, net	187,191	184,512
Wells, net	259,310	256,482
Machinery, equipment and vehicles, net	1,304,356	1,264,576
Land	18,930	18,922
Construction in progress	506,399	507,478
Other, net	2,805	12,138
Total tangible fixed assets	2,278,994	2,244,111
Intangible assets		
Goodwill	47,276	45,586
Other	472,937	503,343
Total intangible assets	520,213	548,930
Investments and other assets		
Investment securities	419,064	368,114
Long-term loans receivable	592,786	658,349
Recoverable accounts under production sharing	568,059	567,510
Other	31,005	28,493
Less allowance for doubtful accounts	(789)	(785)
Less allowance for recoverable accounts under production sharing	(70,017)	(68,920)
Less allowance for investments in exploration	(3,482)	(2,722)
Total investments and other assets	1,536,625	1,550,039
Total fixed assets	4,335,834	4,343,081
Total assets	4,793,545	4,750,930

(Millions of yen)

Accounts	As of March 31, 2019	As of June 30, 2019
(Liabilities)		
Current liabilities		
Accounts payable-trade	32,205	10,239
Short-term loans	127,184	127,942
Income taxes payable	19,281	30,676
Provision for loss on business	9,971	9,888
Provision for exploration projects	7,303	9,719
Accrued bonuses to officers	96	24
Asset retirement obligations	3,309	2,701
Other	172,649	169,357
Total current liabilities	372,000	360,549
Long-term liabilities		
Long-term debt	1,014,013	1,029,094
Provision for stocks payment	21	28
Accrued special repair and maintenance	479	493
Liability for retirement benefits	6,265	6,237
Asset retirement obligations	110,107	112,419
Other	33,073	36,213
Total long-term liabilities	1,163,961	1,184,487
Total liabilities	1,535,961	1,545,037
(Net assets)		
Shareholders' equity		
Common stock	290,809	290,809
Capital surplus	673,574	674,374
Retained earnings	1,678,914	1,686,705
Treasury stock	(5,434)	(5,433)
Total shareholders' equity	2,637,863	2,646,455
Accumulated other comprehensive income		
Unrealized holding gain (loss) on securities	2,831	2,158
Unrealized gain (loss) from hedging instruments	6,359	(15,612)
Translation adjustments	359,425	319,089
Total accumulated other comprehensive income	368,616	305,635
Non-controlling interests	251,103	253,802
Total net assets	3,257,584	3,205,893
Total liabilities and net assets	4,793,545	4,750,930

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

(Millions of yen)

Accounts	For the three months ended June 30, 2018	For the three months ended June 30, 2019
Net sales	202,351	287,401
Cost of sales	80,107	121,345
Gross profit	122,244	166,056
Exploration expenses	175	2,050
Selling, general and administrative expenses	18,111	17,727
Operating income	103,956	146,277
Other income		
Interest income	1,559	1,025
Dividend income	1,082	2,001
Equity in earnings of affiliates	4,822	—
Foreign exchange gain	1,492	—
Compensation income	7,375	—
Other	3,554	2,807
Total other income	19,886	5,834
Other expenses		
Interest expense	2,088	7,610
Equity in losses of affiliates	—	6,211
Provision of allowance for doubtful accounts	2,653	—
Provision for allowance for recoverable accounts under production sharing	545	1,051
Foreign exchange loss	—	4,590
Other	2,332	1,679
Total other expenses	7,620	21,143
Ordinary income	116,222	130,968
Income before income taxes	116,222	130,968
Income taxes-current	90,244	100,776
Income taxes-deferred	4,997	(897)
Total income taxes	95,241	99,879
Net income	20,981	31,088
Net income (loss) attributable to non-controlling interests	4,169	1,392
Net income attributable to owners of parent	16,812	29,696

Consolidated Statement of Comprehensive Income

(Millions of yen)

Accounts	For the three months ended June 30, 2018	For the three months ended June 30, 2019
Net income	20,981	31,088
Other comprehensive income		
Unrealized holding gain (loss) on securities	2,160	(665)
Translation adjustments	12,108	(40,380)
Share of other comprehensive income of associates accounted for by the equity method	7,125	(21,927)
Total other comprehensive income	21,394	(62,973)
Comprehensive income	42,376	(31,884)
Total comprehensive income attributable to		
Owners of parent	42,204	(33,284)
Non-controlling interests	171	1,400

## (3) Consolidated Statement of Cash Flows

(Millions of yen)

Accounts	For the three months ended June 30, 2018	For the three months ended June 30, 2019
Cash flows from operating activities		
Income before income taxes	116,222	130,968
Depreciation and amortization	21,998	39,421
Amortization of goodwill	1,690	1,690
Provision for allowance for recoverable accounts under production sharing	567	1,080
Provision for exploration projects	(340)	2,348
Other provisions	2,614	(955)
Liability for retirement benefits	301	1
Interest and dividend income	(2,641)	(3,026)
Interest expense	2,088	7,610
Foreign exchange loss (gain)	(2,189)	4,454
Equity in losses (earnings) of affiliates	(4,822)	6,211
Recovery of recoverable accounts under production sharing (capital expenditures)	2,449	7,750
Recoverable accounts under production sharing (operating expenditures)	8,367	(2,034)
Accounts receivable-trade	(28,542)	(32,292)
Inventories	(89)	35
Accounts payable-trade	(19,326)	(21,954)
Other	10,165	9,552
Subtotal	108,513	150,862
Interest and dividends received	3,443	4,186
Interest paid	(158)	(3,353)
Income taxes paid	(70,050)	(90,576)
Net cash provided by (used in) operating activities	41,747	61,120

(Millions of yen)

Accounts	For the three months ended June 30, 2018	For the three months ended June 30, 2019
Cash flows from investing activities		
Payments for time deposits	(207,289)	—
Payments for purchases of tangible fixed assets	(64,137)	(34,419)
Proceeds from sales of tangible fixed assets	23	14
Payments for purchases of intangible assets	(167)	(248)
Payments for purchases of investment securities	(1,424)	(977)
Investment in recoverable accounts under production sharing (capital expenditures)	(9,064)	(10,567)
Decrease (increase) in short-term loans receivable	(23)	118
Long-term loans made	(154,809)	(78,970)
Collection of long-term loans receivable	114	2,951
Payments for acquisitions of participating interests	—	(30,085)
Other	12,158	801
Net cash provided by (used in) investing activities	(424,617)	(151,383)
Cash flows from financing activities		
Increase (decrease) in commercial papers	150,000	—
Proceeds from long-term debt	144,105	65,246
Repayments of long-term debt	(17,925)	(21,096)
Proceeds from non-controlling interests for additional shares	—	2,101
Cash dividends paid	(10,651)	(17,752)
Cash dividends paid to non-controlling interests	(3,521)	(2,680)
Other	(6)	(738)
Net cash provided by (used in) financing activities	261,999	25,078
Effect of exchange rate changes on cash and cash equivalents	1,383	(4,076)
Net increase (decrease) in cash and cash equivalents	(119,486)	(69,261)
Cash and cash equivalents at beginning of the period	276,079	239,652
Cash and cash equivalents at end of the period	156,592	170,390

(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 three months ended June 30, 2019 (April 1, 2019 through June 30, 2019):

None

(Note on significant changes in shareholders' equity)

For the three months ended June 30, 2019 (April 1, 2019 through June 30, 2019):

None

(Segment information)

I. For the three months ended June 30, 2018 (April 1, 2018 through June 30, 2018)

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

(Millions of yen)

	Reportable segments						Adjustments *1	Consolidated *2
	Japan	Asia & Oceania	Eurasia (Europe & NIS)	Middle East & Africa	Americas	Total		
Net sales								
Sales to third parties	28,503	7,159	32,090	131,178	3,419	202,351	—	202,351
Intercompany sales and transfers between segments	—	—	—	—	—	—	—	—
Total	28,503	7,159	32,090	131,178	3,419	202,351	—	202,351
Segment income (loss)	6,240	(1,360)	11,295	93,303	(387)	109,090	(5,134)	103,956

Note: 1. Adjustments of segment income of ¥(5,134) million include elimination of inter-segment transactions of ¥3 million and corporate expenses of ¥(5,137) 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 three months ended June 30, 2019 (April 1, 2019 through June 30, 2019)

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	32,560	72,992	18,677	160,658	2,512	287,401	—	287,401
Intercompany sales and transfers between segments	—	—	—	—	—	—	—	—
Total	32,560	72,992	18,677	160,658	2,512	287,401	—	287,401
Segment income (loss)	6,820	37,374	4,477	102,357	(378)	150,651	(4,373)	146,277

Note: 1. Adjustments of segment income of ¥(4,373) million are corporate expenses. Corporate expenses are mainly amortization of goodwill and general administrative expenses that are not allocated to a reportable segment.

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

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

None

(Subsequent events)

For the three months ended June 30, 2019 (April 1, 2019 through June 30, 2019):

None



### 3. Supplementary Information

#### (1) Production, Orders Received and Sales Performance

##### 1) Actual production

The following table shows actual production by segment:

Segment	Category	For the three months ended June 30, 2018	For the three months ended June 30, 2019
Japan	Crude oil	0.3 MMbbls (3.4 Mbbls per day)	0.3 MMbbls (3.2 Mbbls per day)
	Natural gas	12.0 Bcf (132.0 MMcf per day)	11.2 Bcf (122.8 MMcf per day)
	Subtotal	2.6 MMboe (28.2 Mboe per day)	2.4 MMboe (26.3 Mboe per day)
	Iodine	142.6 tons	148.2 tons
	Electric power generation	55.2 million kWh	57.0 million kWh
Asia & Oceania	Crude oil	0.4 MMbbls (4.7 Mbbls per day)	3.9 MMbbls (43.2 Mbbls per day)
	Natural gas	9.2 Bcf (100.7 MMcf per day)	79.3 Bcf (871.8 MMcf per day)
	Subtotal	2.0 MMboe (22.2 Mboe per day)	19.1 MMboe (209.9 Mboe per day)
	Electric power generation	101.2 million kWh	72.4 million kWh
Eurasia (Europe & NIS)	Crude oil	4.1 MMbbls (45.4 Mbbls per day)	3.5 MMbbls (38.3 Mbbls per day)
	Natural gas	2.4 Bcf (26.3 MMcf per day)	1.4 Bcf (15.7 MMcf per day)
	Subtotal	4.6 MMboe (50.1 Mboe per day)	3.7 MMboe (41.1 Mboe per day)
	Sulfur	19.5 Mtons	8.0 Mtons
Middle East & Africa	Crude oil	20.2 MMbbls (221.7 Mbbls per day)	21.3 MMbbls (234.2 Mbbls per day)
Americas	Crude oil	0.3 MMbbls (3.5 Mbbls per day)	1.2 MMbbls (13.6 Mbbls per day)
	Natural gas	8.6 Bcf (94.5 MMcf per day)	6.9 Bcf (75.7 MMcf per day)
	Subtotal	1.9 MMboe (20.4 Mboe per day)	2.5 MMboe (27.8 Mboe per day)
Total	Crude oil	25.4 MMbbls (278.6 Mbbls per day)	30.3 MMbbls (332.5 Mbbls per day)
	Natural gas	32.2 Bcf (353.5 MMcf per day)	98.8 Bcf (1,085.9 MMcf per day)
	Subtotal	31.2 MMboe (342.7 Mboe per day)	49.1 MMboe (539.3 Mboe per day)
	Iodine	142.6 tons	148.2 tons
	Electric power generation	156.4 million kWh	129.4 million kWh
	Sulfur	19.5 Mtons	8.0 Mtons

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

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

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

Also the production volume is a result for the three months ended June 30 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 29.0 MMbbls (318.9 Mbbls per day) of crude oil, 35.3 Bcf (387.4 MMcf per day) of natural gas, and in total 35.4 MMboe (388.9 Mboe per day) for the three months ended June 30, 2018, and 34.3 MMbbls (376.6 Mbbls per day) of crude oil, 103.9 Bcf (1,141.5 MMcf per day) of natural gas, and in total 54.0 MMboe (593.7 Mboe per day) for the three months ended June 30, 2019.

5. Boe means barrels of oil equivalent.

6. Iodine is refined by other company on consignment.

7. Figures are rounded to the first 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 three months ended June 30, 2018		For the three months ended June 30, 2019	
		Sales volume	Net sales	Sales volume	Net sales
Japan	Crude oil	176 Mbbls	1,482	203 Mbbls	1,565
	Natural gas (excluding LPG)	17,715 MMcf	23,311	17,949 MMcf	27,259
	LPG	1 Mbbls	7	1 Mbbls	5
	Other		3,701		3,728
	Subtotal		28,503		32,560
Asia & Oceania	Crude oil	428 Mbbls	3,120	4,276 Mbbls	31,517
	Natural gas (excluding LPG)	5,692 MMcf	3,636	73,706 MMcf	40,784
	LPG	74 Mbbls	403	71 Mbbls	691
	Subtotal		7,159		72,992
Eurasia (Europe & NIS)	Crude oil	3,906 Mbbls	31,631	2,468 Mbbls	18,368
	Natural gas (excluding LPG)	2,392 MMcf	445	1,412 MMcf	325
	Other		12		(16)
	Subtotal		32,090		18,677
Middle East & Africa	Crude oil	17,218 Mbbls	131,178	22,118 Mbbls	160,658
Americas	Crude oil	337 Mbbls	2,059	166 Mbbls	950
	Natural gas (excluding LPG)	9,378 MMcf	1,360	7,051 MMcf	1,562
	Subtotal		3,419		2,512
Total	Crude oil	22,066 Mbbls	169,472	29,231 Mbbls	213,060
	Natural gas (excluding LPG)	35,177 MMcf	28,753	100,119 MMcf	69,932
	LPG	75 Mbbls	410	72 Mbbls	696
	Other		3,714		3,712
	Total		202,351		287,401

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 three months ended March 31 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.