

**Consolidated Financial Results for the year ended December 31, 2020 [Japanese GAAP]**

February 10, 2021

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

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Scheduled date of ordinary general meeting of shareholders : March 25, 2021  
 Scheduled date of filing Financial Report : March 26, 2021  
 Scheduled date of payment of cash dividends : March 26, 2021  
 Preparation of supplementary explanatory materials : Yes  
 Meeting of financial results presentation : Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded off)

**1. Consolidated Financial Results for the year ended December 31, 2020 (January 1, 2020 - December 31, 2020)**

**(1) Consolidated operating results**

(Figures in % represent the changes from 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 year ended December 31, 2020	771,046	—	248,471	—	257,335	—	(111,699)	—
December 31, 2019	1,000,005	—	498,641	—	511,088	—	123,550	—

(Note): Consolidated comprehensive income: for the year ended December 31, 2020, ¥(256,830) million; (—%)  
 for the year ended December 31, 2019, ¥72,892 million; (—%)

	Net income per share—basic	Net income per share—diluted	Net income as a percentage of net assets excluding non-controlling interests	Ordinary income as a percentage of total assets	Operating income as a percentage of net sales
For the year ended December 31, 2020	Yen (76.50)	Yen —	% (3.9)	% 5.4	% 32.2
December 31, 2019	84.61	—	4.1	10.6	49.9

(Reference): Equity in earnings (losses) of affiliates: for the year ended December 31, 2020, ¥(12,999) million  
 for the year ended December 31, 2019, ¥23,313 million

(Note): The Company changed its consolidated fiscal year-end from March 31 to December 31, effective from the previous fiscal year. As a result, the fiscal year ended December 31, 2020 (January 1, 2020 to December 31, 2020) differs from the fiscal year ended December 31, 2019 (April 1, 2019 to December 31, 2019). On this basis, percentage data for changes between the fiscal year ended December 31, 2019 and the fiscal year ended December 31, 2020 have not been provided.

[Reference]

Percentage figures below (adjusted % increase/decrease) represent year-on-year changes between the fiscal year ended December 31, 2020 (January 1, 2020 to December 31, 2020) and the corresponding period of the previous year, from January 1, 2019 to December 31, 2019.

(Millions of yen)

Net Sales	Operating income	Ordinary income	Net income attributable to owners of parent
771,046 (34.2)%	248,471 (55.6)%	257,335 (56.0)%	(111,699) —%

## (2) Consolidated financial position

	Total assets	Net assets	Net assets excluding non-controlling interests as a percentage of total assets	Net assets excluding non-controlling interests per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2020	4,634,518	3,001,339	59.0	1,874.08
As of December 31, 2019	4,849,995	3,297,176	62.7	2,082.43

(Reference): Net assets excluding non-controlling interests: as of December 31, 2020, ¥ 2,736,541 million  
as of December 31, 2019, ¥ 3,040,775 million

## (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of the year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
For the year ended December 31, 2020	292,915	(417,189)	126,747	172,405
December 31, 2019	274,730	(288,740)	(48,615)	173,774

## 2. Dividends

	Cash dividends per share					Total cash dividends (Annual)	Payout ratio (Consolidated)	Cash dividends as a percentage of net assets (Consolidated)
	At 1st quarter end	At 2nd quarter end	At 3rd quarter end	At fiscal year end	Total			
For the year ended December 31, 2019	Yen —	Yen 12.00	Yen —	Yen 18.00	Yen 30.00	Millions of yen 43,810	% 35.5	% 1.4
December 31, 2020	—	12.00	—	12.00	24.00	35,048	—	1.3
For the year ending December 31, 2021 (forecast)	—	13.50	—	13.50	27.00		39.4	

(Note): "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".

## 3. Forecasted Consolidated Operating Results for the year ending December 31, 2021 (January 1, 2021 - December 31, 2021)

(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		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
For the six months ending June 30, 2021	416,000	6.2	146,000	17.9	157,000	5.2	35,000	—	23.97
For the year ending December 31, 2021	883,000	14.5	319,000	28.4	353,000	37.2	100,000	—	68.48

\*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) 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
- (3) Number of shares issued (Common stock)  
 1. Number of shares issued at the end of the period (including treasury stock): 1,462,323,600 shares as of December 31, 2020  
 1,462,323,600 shares as of December 31, 2019  
 2. Number of treasury stock at the end of the period: 2,119,069 shares as of December 31, 2020  
 2,121,916 shares as of December 31, 2019  
 3. Average number of shares: 1,460,203,728 shares for the year ended December 31, 2020  
 1,460,200,987 shares for the year ended December 31, 2019

(Note): The shares held by "the Board Incentive Plan Trust" are included in number of treasury stock at the end of the period.  
 (As of December 31, 2020: 152,569 shares As of December 31, 2019: 155,416 shares)

(Reference) Non-Consolidated Financial Results

1. Financial results for the year ended December 31, 2020 (January 1, 2020 - December 31, 2020)

(1) Operating results

(Figures in % represent the changes from 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 year ended December 31, 2020	127,676	—	(3,772)	—	(134,321)	—	(130,660)	—
December 31, 2019	107,183	—	4,616	—	19,664	—	13,465	—

	Net income per share—basic	Net income per share—diluted
For the year ended December 31, 2020	Yen (89.48)	Yen —
December 31, 2019	9.22	—

(Note): The Company changed its fiscal year-end from March 31 to December 31, effective from the previous fiscal year. As a result, the fiscal year ended December 31, 2020 (January 1, 2020 to December 31, 2020) differs from the fiscal year ended December 31, 2019 (April 1, 2019 to December 31, 2019). On this basis, percentage data for changes between the fiscal year ended December 31, 2019 and the fiscal year ended December 31, 2020 have not been provided.

[Reference]

Percentage figures below (adjusted % increase/decrease) represent year-on-year changes between the fiscal year ended December 31, 2020 (January 1, 2020 to December 31, 2020) and the corresponding period of the previous year, from January 1, 2019 to December 31, 2019.

(Millions of yen)							
Net Sales		Operating income		Ordinary income		Net income	
127,676	(14.8)%	(3,772)	—%	(134,321)	—%	(130,660)	—%

(2) Financial position

	Total assets	Net assets	Net assets as a percentage of total assets	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2020	3,122,776	2,180,198	69.8	1,493.08
As of December 31, 2019	3,152,926	2,358,149	74.8	1,614.95

(Reference): Net assets: as of December 31, 2020, ¥ 2,180,198 million  
 as of December 31, 2019, ¥ 2,358,149 million

\*This financial 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 "3. Forecasted Consolidated Operating Results for the year ending December 31, 2021" 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. (4) Outlook for the Next Period" 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
For the year ended December 31, 2019	Yen —	Yen 4,800.00	Yen —	Yen 7,200.00	Yen 12,000.00
December 31, 2020	—	4,800.00	—	4,800.00	9,600.00
For the year ending December 31, 2021 (forecast)	—	5,400.00	—	5,400.00	10,800.00

(Note): 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.

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## 1. Summary of Operating Results and other

### (1) Summary of Consolidated Operating Results

The Company and its subsidiaries unified their fiscal year-ends to December 31, effective from the previous fiscal year. Changes displayed hereinafter are based on the comparison to the corresponding period of the previous year, which is comprised of the twelve-month results (January 1 - December 31, 2019).

	Corresponding Period of the Previous Year	For the year ended December 31, 2020	Change	% Change
Net sales	1,171,203	771,046	(400,156)	(34.2)
Operating income	559,254	248,471	(310,783)	(55.6)
Ordinary income	584,687	257,335	(327,352)	(56.0)
Net income (loss) attributable to owners of parent	167,316	(111,699)	(279,016)	—

In the fiscal year ended December 31, 2020, the global economy experienced a slowdown in economic activity in countries around the world impacted by the spread of the novel coronavirus (COVID-19), and business conditions rapidly deteriorated. The Japanese economy also experienced a rapid contraction in corporate earnings and consumer spending as well as a deterioration in employment following the declaration of a state of emergency in April. At present, although exports, production and consumption are showing signs of recovery thanks to a phased increase in socioeconomic activity, the outlook for the future remains uncertain, due to concerns of a renewed spread of COVID-19.

Of the international crude oil price indices, which significantly influence the financial performance of the INPEX Group, Brent crude (on a near-term closing price basis), considered a benchmark index for crude oil, started the fiscal year at US\$66.25 per barrel. Crude oil prices trended downward from late January 2020, as awareness grew on the negative impact of the emerging spread of COVID-19, primarily in China, on the global economy. Then on March 6, a breakdown in talks between OPEC and non-OPEC countries (OPEC+) to jointly extend production cuts beyond April drove crude oil prices into freefall. Oil prices fell to less than US\$25 per barrel at the end of March. Prices were weighed down further as the spread of COVID-19 led to a slowdown in economic activity around the world, and Brent crude sank to US\$19.33 by the end of April. Economic activity gradually resumed in China and elsewhere from the middle of the year, and the balance of supply and demand for crude oil improved, against the backdrop of joint production cuts by OPEC+ and the U.S. reducing crude oil production due to the downturn in oil prices. Brent crude rose to US\$45.86 by late August. Crude oil prices weakened through mid-November to around US\$40, as economic activity was restricted in some regions and cities in Europe and the U.S. with the renewed spread of COVID-19. Prices entered an upward trend from late November however, against the backdrop of an anticipated extension by OPEC+ of the current level of production cuts beyond January 2021, and the emergence of highly effective COVID-19 vaccines under development by pharmaceutical companies. Brent crude ended the year at US\$51.80 per barrel. In Japan, prices of crude oil and petroleum products correlated with the fluctuations in international crude oil prices. The INPEX Group's average crude oil sales price for the fiscal year ended December 31, 2020 reflected this shift and fell to US\$40.31 per barrel, down US\$25.01 from the corresponding period of the previous fiscal year.

The foreign exchange market, another important factor that affects the business of our Group, began to trade at ¥108 level against the U.S. dollar. On February, Japanese Yen climbed to ¥112 level against the U.S. dollar due to positive outcomes of the US economic statistics, but afterwards the foreign exchange market continued volatile fluctuations due to the panic of the financial market after the expansion of COVID-19.

On June, the yen dropped to ¥109 level against the U.S. dollar after the number of new patients of COVID-19 started to decrease globally, and then the financial market got back stability. However, the yen appreciated again against the U.S. dollar through end of the year after Federal Reserve Board indicated the guidance that they extend the monetary easing policy.

Finally, at the end of this period, TTM closed at ¥103.52 against the U.S. dollar which turned out to be ¥6.03 higher than that of the fiscal year end of December 31, 2019.

Reflecting these situations, the average sales exchange rate for our Group for this fiscal year was ¥106.85 against the U.S. dollar, which is ¥2.20 higher than that of the corresponding period of the previous fiscal year.

Consolidated net sales for the year ended December 31, 2020 decreased by ¥400.1 billion, or 34.2%, to ¥771.0 billion from the corresponding period of the previous fiscal year due to decreases in sales price and sales volume of crude oil.

Net sales of crude oil decreased by ¥366.0 billion, or 42.0%, to ¥505.5 billion, and net sales of natural gas decreased by ¥30.4 billion, or 10.8%, to ¥250.5 billion.

Sales volume of crude oil decreased by 5,033 thousand barrels, or 4.1%, to 117,282 thousand barrels. Sales volume of natural gas increased by 47,357 million cf, or 11.3%, to 467,466 million cf. Sales volume of overseas natural gas increased by 50,020 million cf, or 14.7%, to 390,053 million cf, and sales volume of domestic natural gas decreased by 71 million m<sup>3</sup>, or 3.3%, to 2,074 million m<sup>3</sup> (77,413 million cf).

The average sales price of overseas crude oil decreased by US\$25.01, or 38.3%, to US\$40.31 per barrel. In addition, the average sales price of overseas natural gas decreased by US\$0.72, or 16.6%, to US\$3.61 per thousand cf. Meanwhile, the average sales price of domestic natural gas decreased by ¥7.69, or 14.1%, to ¥46.93 per m<sup>3</sup>. The average exchange rate of the Japanese yen against the U.S. dollar on consolidated net sales appreciated by ¥2.20, or 2.0%, to ¥106.85 per U.S. dollar from the corresponding period of the previous fiscal year.

The decrease of ¥400.1 billion in net sales was mainly derived from the following factors: regarding net sales of crude oil and natural gas, a decrease in sales volume pushing sales down of ¥17.4 billion, a decrease in unit sales price pushing sales down of ¥365.5 billion, the appreciation of the Japanese yen against the U.S. dollar pushing sales down of ¥13.4 billion, and a decrease in net sales excluding crude oil and natural gas of ¥3.6 billion.

Cost of sales for the year ended December 31, 2020 decreased by ¥71.2 billion, or 13.9%, to ¥439.8 billion. Exploration expenses decreased by ¥14.5 billion to ¥9.0 billion. Selling, general and administrative expenses decreased by ¥3.5 billion, or 4.6%, to ¥73.6 billion. As a result, operating income decreased by ¥310.7 billion, or 55.6%, to ¥248.4 billion.

Other income increased by ¥0.4 billion, or 0.7% to ¥63.8 billion. Other expenses increased by ¥17.0 billion, or 44.9% to ¥54.9 billion due to an increase in equity in losses of affiliates and others. As a result, ordinary income decreased by ¥327.3 billion, or 56.0%, to ¥257.3 billion.

Extraordinary loss increased by ¥183.6 billion, as a result of posting impairment loss of ¥189.9 billion due to deteriorating business environments based on the drop in oil prices, which were caused by the impact of the growing number of COVID-19 cases and others. Total amount of current income taxes and deferred income taxes decreased by ¥248.0 billion, or 59.2%, to ¥171.2 billion, and net income attributable to non-controlling interests was ¥7.8 billion. As a result of the above effects, net loss attributable to owners of parent for the year ended December 31, 2020 was ¥111.6 billion compared with ¥167.3 billion of net income attributable to owners of parent for the corresponding period of the previous year.

Financial results by segment are as follows:

(Millions of yen)

Segment	Net sales			Segment income (loss)		
	Corresponding Period of the Previous Fiscal Year	For the year ended December 31, 2020	% Change	Corresponding Period of the Previous Fiscal Year	For the year ended December 31, 2020	% Change
Japan	141,116	115,838	(17.9)	20,490	14,341	(30.0)
Asia & Oceania	277,411	220,969	(20.3)	133,593	56,522	(57.7)
Eurasia (Europe & NIS)	107,332	68,369	(36.3)	26,737	4,481	(83.2)
Middle East & Africa	631,522	352,388	(44.2)	399,511	186,408	(53.3)
Americas	13,819	13,481	(2.5)	(8,059)	(2,128)	(73.6)
Total	1,171,203	771,046	(34.2)	572,273	259,625	(54.6)
Adjustments	—	—	—	(13,019)	(11,154)	(14.3)
Consolidated	1,171,203	771,046	(34.2)	559,254	248,471	(55.6)

1) Japan

Net sales decreased by ¥25.2 billion, or 17.9%, to ¥115.8 billion due to a decrease in sales price of natural gas. Operating income decreased by ¥6.1 billion, or 30.0%, to ¥14.3 billion.

2) Asia & Oceania

Net sales decreased by ¥56.4 billion, or 20.3%, to ¥220.9 billion due to a decrease in sales prices of crude oil and natural gas. Operating income decreased by ¥77.0 billion, or 57.7%, to ¥56.5 billion.

3) Eurasia (Europe & NIS)

Net sales decreased by ¥38.9 billion, or 36.3%, to ¥68.3 billion due to a decrease in sales price of crude oil. Operating income decreased by ¥22.2 billion, or 83.2%, to ¥4.4 billion.

4) Middle East & Africa

Net sales decreased by ¥279.1 billion, or 44.2%, to ¥352.3 billion due to a decrease in sales prices of crude oil. Operating income decreased by ¥213.1 billion, or 53.3%, to ¥186.4 billion.

5) Americas

Net sales decreased by ¥0.3 billion, or 2.5%, to ¥13.4 billion due to a decrease in sales prices of crude oil. Operating loss decreased by ¥5.9 billion, or 73.6%, to ¥2.1 billion due to a decrease in exploration expenses and others.

(2) Summary of Consolidated Financial Position

Consolidated total assets as of December 31, 2020 decreased by ¥215.4 billion to ¥4,634.5 billion from ¥4,849.9 billion as of December 31, 2019. Current assets decreased by ¥32.7 billion to ¥387.0 billion due to decreases in accounts receivable-trade and others. Fixed assets decreased by ¥182.7 billion to ¥4,247.4 billion due to decreases in tangible fixed assets and intangible fixed assets.

Meanwhile, total liabilities increased by ¥80.3 billion to ¥1,633.1 billion from ¥1,552.8 billion as of December 31, 2019. Current liabilities decreased by ¥62.1 billion to ¥339.2 billion and long-term liabilities increased by ¥142.5 billion to ¥1,293.8 billion.

Net assets decreased by ¥295.8 billion, to ¥3,001.3 billion. Total shareholders' equity decreased by ¥155.5 billion, to ¥2,567.2 billion. Total accumulated other comprehensive income decreased by ¥148.7 billion to ¥169.2 billion and non-controlling interests in net assets increased by ¥8.3 billion to ¥264.7 billion.

(3) Summary of Cash Flows

Due to the change of the fiscal year-end, the previous fiscal year was a nine-month transition period. Therefore, the change from the previous fiscal year is not displayed. Cash flows for the year ended December 31, 2020 are as follows:

Net cash provided by operating activities is ¥292.9 billion due mainly to impairment loss and depreciation and amortization (non-cash), despite income taxes paid.

Net cash used in investing activities is ¥417.1 billion due mainly to payments for purchases of long-term loans receivable and tangible fixed assets.

Net cash provided by financing activities is ¥126.7 billion due mainly to proceeds from long-term debt.

After totaling (¥3.8) billion of the effect of exchange rate changes on cash and cash equivalents, the decrease in cash and cash equivalents for the year ended December 31, 2020 amounted to ¥1.3 billion. Cash and cash equivalents as of December 31, 2020 totaled ¥172.4 billion reflecting the above net decrease of ¥1.3 billion, from ¥173.7 billion at the end of the previous fiscal year.



#### (4) Outlook for the Next Period

(Billions of yen)

	Fiscal Year Ended Dec.2020 (Actual)	Fiscal Year Ended Dec.2021 (Forecasts)	Year-on-Year Increase/Decrease
Net Sales	771.0	883.0	14.5%
Operating Income	248.4	319.0	28.4%
Ordinary Income	257.3	353.0	37.2%
Net income (loss) attributable to owners of parent	(111.6)	100.0	—

As for the company's financial outlook for the year ending December 31, 2021, net sales for the six months ending June 30, 2021 are expected to increase 6.2% year-on-year to ¥416.0 billion, and net sales for the year ending December 31, 2021 are expected to increase 14.5% year-on-year to ¥883.0 billion. Operating income for the six months ending June 30, 2021 is expected to increase 17.9% year-on-year to ¥146.0 billion, while operating income for the year ending December 31, 2021 is expected to increase 28.4% year-on-year to ¥319.0 billion.

Ordinary income for the six months ending June 30, 2021 is expected to increase 5.2% year-on-year to ¥157.0 billion, and ordinary income for the year ending December 31, 2021 is expected to increase 37.2% year-on-year to ¥353.0 billion. Net income attributable to owners of parent for the six months ending June 30, 2021 is expected to be ¥35.0 billion in comparison to the ¥120.7 billion net loss for the six months ended June 30, 2020, while net income attributable to owners of parent for the year ending December 31, 2021 is expected to be ¥100.0 billion in comparison to the ¥111.6 billion net loss for the year ended December 31, 2020.

Net sales for the year ending December 31, 2021 are expected to increase due to (expected) higher crude oil prices, and operating income and ordinary income for the year ending December 31, 2021 are also expected to increase. Net income attributable to owners of parent for the year ending December 31, 2021 is expected to increase year-on-year, due in part to the lack of impairment loss. The above forecasts are based on a crude oil price assumption of US\$53.0 per barrel (Brent) and an exchange rate assumption of ¥103 to the U.S. dollar as averages for the year ending December 31, 2021.

#### (5) Dividend policy and dividends for the year ended December 31, 2020 and for the year ending December 31, 2021

Based on the shareholder return policy outlined in the Medium-term Business Plan 2018-2022 announced in May 2018, INPEX CORPORATION (INPEX) will, in principle, seek to maintain stable dividend payouts and enhance shareholder returns in stages during the period covered by the Business Plan in accordance with the improvement in the Company's financial performance, with the payout ratio set at 30% or higher.

In accordance with the policy stated above, INPEX has set the year-end dividend at ¥12 per common stock for the year ended December 31, 2020. Combined with the mid-term dividend of ¥12 per common stock, the planned total dividends for the year ended December 31, 2020 are ¥24 per common stock. INPEX has also set the year-end dividend at ¥4,800 per Class A stock for the year ended December 31, 2020. Combined with the mid-term dividend of ¥4,800 per Class A stock (unlisted), the planned total dividends for the year ended December 31, 2020 are ¥9,600 per Class A stock.

For the year ending December 31, 2021, INPEX expects mid-term and year-end dividends of ¥13.5 each, bringing the total dividends to ¥27 per common stock. INPEX expects mid-term and year-end dividends of ¥5,400 each, bringing the total dividend to ¥10,800 per Class A stock.

The Group conducted a stock split at a ratio of 1:400 of common stock effective October 1, 2013. However, for Class A stock, no stock split was implemented. The article, which outlines that Class A stock dividends are equivalent to common stock dividends prior to the stock split, is specified in the Articles of Incorporation.

## **2. Basic Rationale for Selection of Accounting Standards**

The INPEX Group has been analyzing the differences between International Financial Reporting Standards (IFRS) and accounting principles generally accepted in Japan. The Group will take into consideration the domestic and international situations for appropriate adoption of the IFRS in the future.

### 3. Consolidated Financial Statements and Principal Notes

#### (1) Consolidated Balance Sheet

(Millions of yen)

Accounts	As of December 31, 2019	As of December 31, 2020
(Assets)		
Current assets		
Cash and deposits	※2 173,798	※2 182,978
Accounts receivable-trade	※2 148,765	※2 83,810
Inventories	※2 38,987	※2 34,299
Accounts receivable-other	47,057	40,748
Other	※2 24,962	※2 57,481
Less allowance for doubtful accounts	(13,768)	(12,225)
Total current assets	419,802	387,093
Fixed assets		
Tangible fixed assets		
Buildings and structures, net	177,320	168,002
Wells, net	261,931	265,337
Machinery, equipment and vehicles, net	1,254,865	1,207,911
Land	18,596	18,591
Construction in progress	552,866	385,405
Other, net	9,790	24,533
Total tangible fixed assets	※1,※2 2,275,372	※1,※2 2,069,783
Intangible assets		
Goodwill	42,206	35,445
Exploration and development rights	155,108	156,787
Mining rights	333,246	245,016
Other	4,770	4,587
Total intangible assets	535,330	441,837
Investments and other assets		
Investment securities	※2 378,527	※2 297,867
Long-term loans receivable	※2 718,976	※2 911,424
Recoverable accounts under production sharing	568,377	575,544
Deferred tax assets	7,471	10,237
Other	※2 16,247	※2 13,231
Less allowance for doubtful accounts	(818)	(600)
Less allowance for recoverable accounts under production sharing	(66,897)	(69,441)
Less allowance for investments in exploration	(2,395)	(2,460)
Total investments and other assets	1,619,489	1,735,804
Total fixed assets	4,430,192	4,247,424
Total assets	4,849,995	4,634,518

(Millions of yen)

Accounts	As of December 31, 2019	As of December 31, 2020
(Liabilities)		
Current liabilities		
Accounts payable-trade	21,798	15,090
Short-term loans	166,831	175,133
Income taxes payable	43,190	12,676
Accounts payable-other	97,241	70,478
Accrued bonuses	1,334	1,415
Accrued bonuses to officers	108	54
Provision for loss on business	8,635	9,351
Provision for exploration projects	11,808	9,496
Asset retirement obligations	780	1,475
Other	49,754	44,116
Total current liabilities	401,483	339,288
Long-term liabilities		
Long-term debt	950,948	1,059,713
Deferred tax liabilities	44,305	32,594
Provision for stocks payment	42	71
Accrued special repair and maintenance	537	577
Liability for retirement benefits	8,011	8,158
Asset retirement obligations	136,101	172,147
Other	11,388	20,627
Total long-term liabilities	1,151,334	1,293,890
Total liabilities	1,552,818	1,633,178
(Net assets)		
Shareholders' equity		
Common stock	290,809	290,809
Capital surplus	674,374	674,374
Retained earnings	1,763,034	1,607,524
Treasury stock	(5,432)	(5,428)
Total shareholders' equity	2,722,786	2,567,279
Accumulated other comprehensive income		
Unrealized holding gain (loss) on securities	5,570	2,091
Unrealized gain (loss) from hedging instruments	(18,128)	(54,054)
Translation adjustments	330,546	221,224
Total accumulated other comprehensive income	317,988	169,261
Non-controlling interests	256,400	264,798
Total net assets	3,297,176	3,001,339
Total liabilities and net assets	4,849,995	4,634,518

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

(Millions of yen)

Accounts	For the year ended December 31, 2019	For the year ended December 31, 2020
Net sales	1,000,005	771,046
Cost of sales	424,702	439,852
Gross profit	575,303	331,194
Exploration expenses	15,426	9,074
Selling, general and administrative expenses	61,234	73,648
Operating income	498,641	248,471
Other income		
Interest income	2,422	33,480
Dividend income	3,240	6,733
Gain on sales of investment securities	4,981	—
Equity in earnings of affiliates	23,313	—
Gurantee commission received	235	6,650
Foreign exchange gain	2,481	—
Other	8,094	16,938
Total other income	44,768	63,803
Other expenses		
Interest expense	21,856	19,092
Loss on valuation of investment securities	3,497	6,556
Equity in losses of affiliates	—	12,999
Provision for allowance for recoverable accounts under production sharing	3,115	2,566
Provision for exploration projects	—	2
Foreign exchange losses	—	8,209
Other	3,851	5,514
Total other expenses	32,321	54,939
Ordinary income	511,088	257,335
Extraordinary loss		
Impairment loss	※1 796	※1 189,940
Total extraordinary loss	796	189,940
Income before income taxes	510,292	67,394
Income taxes-current	361,180	184,127
Income taxes-deferred	24,545	(12,926)
Total income taxes	385,725	171,200
Net income (loss)	124,566	(103,806)
Net income attributable to non-controlling interests	1,015	7,893
Net income (loss) attributable to owners of parent	123,550	(111,699)

Consolidated Statement of Comprehensive Income

(Millions of yen)

Accounts	For the year ended December 31, 2019	For the year ended December 31, 2020
Net income (loss)	124,566	(103,806)
Other comprehensive income		
Unrealized holding gain (loss) on securities	2,685	(3,483)
Unrealized gain (loss) from hedging instruments	(192)	281
Translation adjustments	(29,557)	(109,917)
Share of other comprehensive income of affiliates accounted for by the equity method	(24,608)	(39,904)
Total other comprehensive income	(51,674)	(153,024)
Comprehensive income	72,892	(256,830)
Total comprehensive income attributable to		
Owners of parent	72,922	(260,426)
Non-controlling interests	(30)	3,596

(3) Consolidated Statement of Changes in Net Assets  
For the year ended December 31, 2019

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total Shareholders' equity
Balance at the beginning of the period	290,809	673,574	1,678,914	(5,434)	2,637,863
Changes during the period					
Change in ownership interest of parent arising from transactions with non-controlling shareholders		800			800
Cash dividends paid			(39,429)		(39,429)
Net income attributable to owners of parent			123,550		123,550
Disposal of treasury stock				2	2
Net changes in items other than those in shareholders' equity					
Total changes during the period	—	800	84,120	2	84,922
Balance at the end of the period	290,809	674,374	1,763,034	(5,432)	2,722,786

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Unrealized holding gain (loss) on securities	Unrealized gain (loss) from hedging instruments	Translation adjustments	Total accumulated other comprehensive income		
Balance at the beginning of the period	2,831	6,359	359,425	368,616	251,103	3,257,584
Changes during the period						
Change in ownership interest of parent arising from transactions with non-controlling shareholders						800
Cash dividends paid						(39,429)
Net income attributable to owners of parent						123,550
Disposal of treasury stock						2
Net changes in items other than those in shareholders' equity	2,738	(24,487)	(28,879)	(50,628)	5,297	(45,330)
Total changes during the period	2,738	(24,487)	(28,879)	(50,628)	5,297	39,592
Balance at the end of the period	5,570	(18,128)	330,546	317,988	256,400	3,297,176

For the year ended December 31, 2020

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total Shareholders' equity
Balance at the beginning of the period	290,809	674,374	1,763,034	(5,432)	2,722,786
Changes during the period					
Change in ownership interest of parent arising from transactions with non-controlling shareholders					—
Cash dividends paid			(43,810)		(43,810)
Net loss attributable to owners of parent			(111,699)		(111,699)
Disposal of treasury stock				3	3
Net changes in items other than those in shareholders' equity					
Total changes during the period	—	—	(155,510)	3	(155,507)
Balance at the end of the period	290,809	674,374	1,607,524	(5,428)	2,567,279

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Unrealized holding gain (loss) on securities	Unrealized gain (loss) from hedging instruments	Translation adjustments	Total accumulated other comprehensive income		
Balance at the beginning of the period	5,570	(18,128)	330,546	317,988	256,400	3,297,176
Changes during the period						
Change in ownership interest of parent arising from transactions with non-controlling shareholders						—
Cash dividends paid						(43,810)
Net loss attributable to owners of parent						(111,699)
Disposal of treasury stock						3
Net changes in items other than those in shareholders' equity	(3,479)	(35,926)	(109,322)	(148,727)	8,397	(140,329)
Total changes during the period	(3,479)	(35,926)	(109,322)	(148,727)	8,397	(295,836)
Balance at the end of the period	2,091	(54,054)	221,224	169,261	264,798	3,001,329



## (4) Consolidated Statement of Cash Flows

(Millions of yen)

Accounts	For the year ended December 31, 2019	For the year ended December 31, 2020
Cash flows from operating activities		
Income before income taxes	510,292	67,394
Depreciation and amortization	135,629	174,098
Impairment loss	796	189,940
Amortization of goodwill	5,022	6,760
Provision for allowance for recoverable accounts under production sharing	3,163	2,544
Provision for exploration projects	4,573	(1,907)
Other provisions	(446)	(777)
Liability for retirement benefits	1,780	186
Interest and dividend income	(5,662)	(40,214)
Interest expense	21,856	19,092
Foreign exchange loss (gain)	(747)	4,809
Equity in losses (earnings) of affiliates	(23,313)	12,999
Loss (gain) on sales of investment securities	(4,981)	—
Loss (gain) on valuation of investment securities	3,497	6,556
Recovery of recoverable accounts under production sharing (capital expenditures)	32,261	34,691
Recoverable accounts under production sharing (operating expenditures)	(5,471)	(7,101)
Accounts receivable-trade	(57,433)	61,756
Inventories	(760)	6,507
Accounts payable-trade	(10,393)	(6,612)
Accounts receivable-other	22,796	9,972
Accounts payable-other	(14,946)	(21,458)
Advances received	(14,269)	(148)
Other	16,153	1,852
Subtotal	619,398	520,941
Interest and dividends received	10,361	9,568
Interest paid	(17,601)	(19,494)
Income taxes paid	(337,428)	(218,099)
Net cash provided by (used in) operating activities	274,730	292,915

(Millions of yen)

Accounts	For the year ended December 31, 2019	For the year ended December 31, 2020
Cash flows from investing activities		
Payments for time deposits	(23)	(64,283)
Proceeds from time deposits	22	53,408
Payments for purchases of tangible fixed assets	(109,737)	(129,745)
Proceeds from sales of tangible fixed assets	249	404
Payments for purchases of intangible assets	(1,221)	(3,380)
Payments for purchases of investment securities	(1,032)	(429)
Proceeds from sales and redemptions of investment securities	3,136	1,318
Investment in recoverable accounts under production sharing (capital expenditures)	(36,679)	(35,039)
Decrease (increase) in short-term loans receivable	412	543
Long-term loans made	(113,751)	(84,829)
Collection of long-term loans receivable	5,299	40,108
Payments for purchases of long-term loans receivable	—	(201,769)
Payments for purchases of mining rights	(35,870)	(5,760)
Other	457	12,266
Net cash provided by (used in) investing activities	(288,740)	(417,189)
Cash flows from financing activities		
Increase (decrease) in short-term loans	—	92,107
Proceeds from long-term debt	79,037	238,564
Repayments of long-term debt	(89,842)	(158,903)
Proceeds from non-controlling interests for additional shares	10,173	8,900
Cash dividends paid	(39,432)	(43,796)
Cash dividends paid to non-controlling interests	(6,725)	(4,098)
Other	(1,827)	(6,026)
Net cash provided by (used in) financing activities	(48,615)	126,747
Effect of exchange rate changes on cash and cash equivalents	(3,253)	(3,842)
Net increase (decrease) in cash and cash equivalents	(65,878)	(1,368)
Cash and cash equivalents at beginning of the period	239,652	173,774
Cash and cash equivalents at end of the period	※1 173,774	※1 172,405

(5) 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)

None

(Changes in the Presentation)

(Consolidated Statement of Income)

"Gurantee commission received", previously included in "Other" in other income, is presented separately since it has become more significant.

As a result, ¥8,330 million which was recorded as "Other" in other income on the consolidated statement of income in the previous fiscal year is reclassified as ¥235 million of "Gurantee commission received", and ¥8,094 million of "Other".

## (Consolidated Balance Sheet)

## \*1 Accumulated depreciation of tangible fixed assets

	As of December 31, 2019	As of December 31, 2020
Accumulated depreciation of tangible fixed assets	¥ 973,135 million	¥ 1,119,114 million

## \*2 Assets provided as collateral and collateral-backed debt are as follows:

## Collateralized Assets

	As of December 31, 2019	As of December 31, 2020
	Millions of yen	Millions of yen
Cash and deposits	31,072	35,714
Accounts receivable-trade	12,344	10,378
Inventories	12,798	15,338
Wells	224,663	231,086
Machinery, equipment and vehicles	1,181,680	1,067,388
Land	146	138
Construction in progress	41,453	55,495
Investment securities	202,344	144,009
Long-term loans receivable	673,576	722,546
Other	7,068	22,253
Total	2,387,149	2,304,349

The above is mainly related to the Ichthys LNG Project Finance, and includes others that are pledged as collateral for liabilities of affiliates.

## 3 Contingent liabilities

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

	As of December 31, 2019	As of December 31, 2020
	Millions of yen	Millions of yen
Ichthys LNG Pty Ltd	598,676	Ichthys LNG Pty Ltd 311,386
Tangguh Trustee*1	29,742	Tangguh Trustee*1 31,142
Japan Canada Oil Sands Limited	1,643	Japan Canada Oil Sands Limited 1,397
Oceanic Breeze LNG Transport S.A.	799	Oceanic Breeze LNG Transport S.A. 755
Employees (housing loans)	18	Employees (housing loans) 9
	630,879	344,690

\*1 Debt for investment funds of Tangguh LNG project through MI Berau B.V. and MI Berau Japan Ltd.

(The aforementioned Debt includes the amount (¥25,205 million and ¥29,985 million as of December 31, 2019 and 2020, respectively) for the construction of Train-3, based on the Company's participating interest as the guarantor of indebtedness.)

(Consolidated Statement of Income)

\*1 Impairment loss

For the year ended December 31, 2019

Disclosure has been omitted because it does not have significant impact on the consolidated financial statements.

For the year ended December 31, 2020

The Company groups mining area and other assets as a basic unit that generates cash inflows independently of other groups of assets. In light of the substantial decline in crude oil prices resulting from the COVID-19-induced reduction in global energy demand and other factors, the recoverable amount of these groups of assets expected to decrease, the Company reduced the respective carrying amounts of the assets listed below to recoverable amounts, posting the reductions as impairment loss.

Use	Location	Classification	Impairment loss (Millions of yen)
Assets related to Prelude FLNG Project	Commonwealth of Australia	Construction in progress	97,097
		Mining rights	31,965
		Subtotal	129,062
Assets related to Tight Oil Project (Eagle Ford)	Texas, United States	Wells	11,178
		Machinery, equipment and vehicles	1,595
		Mining rights	20,462
		Subtotal	33,235
Assets related to Lucius Oil Field	Gulf of Mexico, United States	Wells	3,553
		Machinery, equipment and vehicles	2,421
		Mining rights	12,719
		Subtotal	18,693
Other			8,948
Total			189,940

The recoverable amount of the assets related to Prelude FLNG Project, Tight Oil Project (Eagle Ford) and Lucius Oil Field is reasonably estimated by discounting the future cash flows at a rate of 7.9-10.7%.

(Consolidated Statement of Changes in Net Assets)  
For the year ended December 31, 2019

1. Type and number of shares issued and treasury stock

(Shares)

	Balance as of April 1, 2019	Increase	Decrease	Balance as of December 31, 2019
Number of shares				
Common stock	1,462,323,600	—	—	1,462,323,600
Class A stock	1	—	—	1
Total	1,462,323,601	—	—	1,462,323,601
Treasury stock				
Common stock	2,123,800	—	1,884	2,121,916
Total	2,123,800	—	1,884	2,121,916

(Note): 1. The decrease of 1,884 shares in treasury stock of common stock was due to delivery of the Company's shares by the Board Incentive Plan Trust (the BIP Trust).

2. The number of treasury shares of common stock includes shares of the Company held by the BIP Trust (as of April 1, 2019: 157,300 shares and as of December 31, 2019: 155,416 shares).

2. Share subscription rights

None

3. Dividends

(1) Cash dividends paid

Resolution	Type of share	Cash dividends paid (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
Ordinary general meeting of shareholders June 25, 2019	Common stock	21,905	15	March 31, 2019	June 26, 2019
	Class A stock	0	6,000	March 31, 2019	June 26, 2019
Board of directors' meeting November 6, 2019	Common stock	17,524	12	September 30, 2019	December 2, 2019
	Class A stock	0	4,800	September 30, 2019	December 2, 2019

(Note): 1. Total dividend as determined by the resolution of Ordinary general meeting of shareholders on June 25, 2019 includes ¥2 million of dividends on the Company's shares held by the BIP Trust.

2. Total dividend as determined by the resolution of Board of Directors' meeting on November 6, 2019 includes ¥1 million of dividends on the Company's shares held by the BIP Trust.

(2) Dividends, whose record date was in the year ended December 31, 2019, and whose effective date will be in the next fiscal year

Resolution	Type of share	Source of dividends	Cash dividends paid (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
Ordinary general meeting of shareholders March 25, 2020	Common stock	Retained earnings	26,286	18	December 31, 2019	March 26, 2020
	Class A stock	Retained earnings	0	7,200	December 31, 2019	March 26, 2020

(Note): Total dividend as determined by the resolution of Ordinary general meeting of shareholders on March 25, 2020 includes ¥2 million of dividends on the Company's shares held by the BIP Trust.

For the year ended December 31, 2020

1. Type and number of shares issued and treasury stock

(Shares)

	Balance as of April 1, 2020	Increase	Decrease	Balance as of December 31, 2020
Number of shares				
Common stock	1,462,323,600	—	—	1,462,323,600
Class A stock	1	—	—	1
Total	1,462,323,601	—	—	1,462,323,601
Treasury stock				
Common stock	2,121,916	—	2,847	2,119,069
Total	2,112,916	—	2,847	2,119,069

(Note): 1. The decrease of 2,847 shares in treasury stock of common stock was due to delivery of the Company's shares by the Board Incentive Plan Trust (the BIP Trust).

2. The number of treasury shares of common stock includes shares of the Company held by the BIP Trust (as of January 1, 2020: 155,416 shares and as of December 31, 2020: 152,569 shares).

2. Share subscription rights

None

3. Dividends

(1) Cash dividends paid

Resolution	Type of share	Cash dividends paid (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
Ordinary general meeting of shareholders March 25, 2020	Common stock	26,286	18	December 31, 2019	March 26, 2020
	Class A stock	0	7,200	December 31, 2019	March 26, 2020
Board of directors' meeting August 6, 2020	Common stock	17,524	12	June 30, 2020	September 1, 2020
	Class A stock	0	4,800	June 30, 2020	September 1, 2020

(Note): 1. Total dividend as determined by the resolution of Ordinary general meeting of shareholders on March 25, 2020 includes ¥2 million of dividends on the Company's shares held by the BIP Trust.

2. Total dividend as determined by the resolution of Board of Directors' meeting on August 6, 2020 includes ¥1 million of dividends on the Company's shares held by the BIP Trust.

(2) Dividends, whose record date was in the year ended December 31, 2020, and whose effective date will be in the next fiscal year

Resolution	Type of share	Source of dividends	Cash dividends paid (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
Ordinary general meeting of shareholders March 25, 2021	Common stock	Retained earnings	17,524	12	December 31, 2020	March 26, 2021
	Class A stock	Retained earnings	0	4,800	December 31, 2020	March 26, 2021

(Note): Total dividend as determined by the resolution of Ordinary general meeting of shareholders on March 25, 2021 includes ¥1 million of dividends on the Company's shares held by the BIP Trust.

(Consolidated Statement of Cash Flows)

\*1 Cash and cash equivalents at the end of the period are reconciled to the account reported in the consolidated balance sheet as follows:

	For the year ended December 31, 2019	For the year ended December 31, 2020
	Millions of yen	Millions of yen
Cash and deposits	173,798	182,978
Time deposits for more than three months and others	(23)	(10,573)
Cash and cash equivalents	173,774	172,405



(Segment Information and Others)  
(Segment information)

1. Overview of reportable segments

The reportable segments for the Group's oil and natural gas development activities are composed of individual mining area and others for which separate financial information is available in order for the Board of Directors to make Group management decisions.

Since the Group operates oil and natural gas businesses globally, the Group's reportable segments are the mining areas and others by geographical region, categorized in "Japan", "Asia & Oceania" (mainly Indonesia, Australia and East Timor), "Eurasia (Europe & NIS)" (mainly Azerbaijan and Kazakhstan), "Middle East & Africa" (mainly UAE) and "Americas."

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

2. Basis of measurement of sales and income (loss), assets, and other items by reportable segment

Accounting policies for the reportable segments are substantially the same as the accounting policies adopted for preparing the consolidated financial statements.

Internal sales between segments are based on prices for third-party transactions.

3. Information on sales and income (loss), assets, and other items by reportable segment

For the year ended December 31, 2019 (April 1, 2019 through December 31, 2019)

(Millions of yen)

	Reportable segments						Adjustments *1	Consolidated *2
	Japan	Asia & Oceania	Eurasia (Europe & NIS)	Middle East & Africa	Americas	Total		
Net sales								
(1) Sales to third parties	97,038	240,927	79,054	569,166	13,819	1,000,005	—	1,000,005
(2) Intercompany sales and transfers between segments	—	4,465	—	—	—	4,465	(4,465)	—
Total	97,038	245,392	79,054	569,166	13,819	1,004,470	(4,465)	1,000,005
Segment income (loss)	13,156	117,801	20,806	364,467	(6,545)	509,685	(11,044)	498,641
Segment assets	274,520	3,063,677	596,930	562,032	82,630	4,579,791	270,203	4,849,995
Other items								
Depreciation and amortization	11,685	72,890	5,004	37,410	7,811	134,802	826	135,629
Amortization of goodwill	—	—	—	—	(192)	(192)	5,214	5,022
Investment to affiliates accounted for by the equity method	1,904	257,139	12,440	24,421	—	295,905	1,060	296,965
Increase of tangible fixed assets and intangible assets	2,598	74,784	6,736	52,384	49,110	185,614	997	186,612

Note: 1. (1) Adjustments of segment income of ¥(11,044) million are corporate expenses. Corporate expenses are mainly amortization of goodwill and general administrative expenses that are not allocated to a reportable segment.  
(2) Adjustments of segment assets of ¥270,203 million include elimination of inter-segment transactions of ¥(385) million and corporate assets of ¥270,589 million. Corporate assets are mainly goodwill, cash and deposits, investment securities and assets concerned with the administrative divisions that are not allocated to a reportable segment.  
(3) Adjustments of depreciation and amortization of ¥826 million consist mainly of depreciation of corporate assets.  
(4) Adjustments of amortization of goodwill of ¥5,214 million consist of amortization of goodwill not attributable to a reportable segment.  
(5) Adjustments of investment to affiliates accounted for by the equity method of ¥1,060 million consist of investment to affiliates accounted for by the equity method not attributable to a reportable segment.  
(6) Adjustments of increase of tangible fixed assets and intangible assets of ¥997 million consist mainly of capital expenditure to corporate assets.

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

For the year ended December 31, 2020 (January 1, 2020 through December 31, 2020)

(Millions of yen)

	Reportable segments						Adjustments *1	Consolidated *2
	Japan	Asia & Oceania	Eurasia (Europe & NIS)	Middle East & Africa	Americas	Total		
Net sales								
(1) Sales to third parties	115,838	220,969	68,369	352,388	13,481	771,046	—	771,046
(2) Intercompany sales and transfers between segments	—	5,320	—	—	—	5,320	(5,320)	—
Total	115,838	226,290	68,369	352,388	13,481	776,367	(5,320)	771,046
Segment income (loss)	14,341	56,522	4,481	186,408	(2,128)	259,625	(11,154)	248,471
Segment assets	255,069	3,024,426	572,642	493,092	24,455	4,369,687	264,831	4,634,518
Other items								
Depreciation and amortization	15,075	100,812	6,923	42,476	7,938	173,227	871	174,098
Amortization of goodwill	—	—	—	—	(192)	(192)	6,952	6,760
Investment to affiliates accounted for by the equity method	2,014	198,065	14,417	12,471	—	226,969	1,205	228,175
Increase of tangible fixed assets and intangible assets	4,990	118,840	5,909	46,589	7,783	184,113	938	185,052

- Note: 1. (1) Adjustments of segment income of ¥(11,154) million are corporate expenses. Corporate expenses are mainly amortization of goodwill and general administrative expenses that are not allocated to a reportable segment.  
(2) Adjustments of segment assets of ¥264,831 million include elimination of inter-segment transactions of ¥(483) million and corporate assets of ¥265,314 million. Corporate assets are mainly goodwill, cash and deposits, investment securities and assets concerned with the administrative divisions that are not allocated to a reportable segment.  
(3) Adjustments of depreciation and amortization of ¥871 million consist mainly of depreciation of corporate assets.  
(4) Adjustments of amortization of goodwill of ¥6,952 million consist of amortization of goodwill not attributable to a reportable segment.  
(5) Adjustments of investment to affiliates accounted for by the equity method of ¥1,205 million consist of investment to affiliates accounted for by the equity method not attributable to a reportable segment.  
(6) Adjustments of increase of tangible fixed assets and intangible assets of ¥938 million consist mainly of capital expenditure to corporate assets.
2. Segment income is reconciled with operating income on the consolidated statement of income.

(Relative information)

For the year ended December 31, 2019 (April 1, 2019 through December 31, 2019)

1. Products and service information

(Millions of yen)

	Crude oil	Natural gas (excluding LPG)	LPG	Other	Total
Sales to third parties	764,039	219,970	3,128	12,867	1,000,005

2. Geographical information

(1) Sales

(Millions of yen)

Japan	Asia & Oceania (excluding China)	China	Other	Total
461,267	349,430	58,710	130,597	1,000,005

Note: Sales by geographical area is determined based upon the final destination and customer.

(2) Tangible fixed assets

(Millions of yen)

Japan	Australia	UAE	Other	Total
235,211	1,751,009	247,419	41,732	2,275,372

3. Information by major customer

(Millions of yen)

Customer	Sales	Relative reportable segment
Shell International Eastern Trading Company	124,787	Middle East & Africa
Ichthys LNG Pty Ltd	110,689	Asia & Oceania
ENEOS Corporation	108,496	Middle East & Africa

For the year ended December 31, 2020 (January 1, 2020 through December 31, 2020)

1. Products and service information

(Millions of yen)

	Crude oil	Natural gas (excluding LPG)	LPG	Other	Total
Sales to third parties	505,517	247,854	2,737	14,937	771,046

2. Geographical information

(1) Sales

(Millions of yen)

Japan	Asia & Oceania (excluding China)	China	Other	Total
350,811	224,183	90,335	105,716	771,046

Note: Sales by geographical area is determined based upon the final destination and customer.

(2) Tangible fixed assets

(Millions of yen)

Japan	Australia	UAE	Other	Total
224,534	1,573,641	251,290	20,317	2,069,783

### 3. Information by major customer

(Millions of yen)

Customer	Sales	Relative reportable segment
Ichthys LNG Pty Ltd	121,521	Asia & Oceania

(Information on impairment loss from fixed assets by reportable segment)

For the year ended December 31, 2019 (April 1, 2019 through December 31, 2019)

(Millions of yen)

	Reportable segments						Eliminations and other	Total
	Japan	Asia & Oceania	Eurasia (Europe & NIS)	Middle East & Africa	Americas	Total		
Impairment loss	796	—	—	—	—	796	—	796

For the year ended December 31, 2020 (January 1, 2020 through December 31, 2020)

(Millions of yen)

	Reportable segments						Eliminations and other	Total
	Japan	Asia & Oceania	Eurasia (Europe & NIS)	Middle East & Africa	Americas	Total		
Impairment loss	—	138,011	—	—	51,929	189,940	—	189,940

(Information on amortization of goodwill and unamortized balance by reportable segment)

For the year ended December 31, 2019 (April 1, 2019 through December 31, 2019)

(Millions of yen)

	Reportable segments						Eliminations and other *2	Total
	Japan	Asia & Oceania	Eurasia (Europe & NIS)	Middle East & Africa	Americas *1	Total		
Balance as of December 31, 2019	—	—	—	—	(1,249)	(1,249)	43,455	42,206

Note: 1. This is the unamortized balance of negative goodwill acquired before April 1, 2010 and net amount of goodwill is stated on the balance sheet.

2. This is the unamortized balance of goodwill not attributable to a reportable segment.

3. Please refer to "Segment information" regarding to the amounts of amortization of goodwill.

For the year ended December 31, 2020 (January 1, 2020 through December 31, 2020)

(Millions of yen)

	Reportable segments						Eliminations and other *2	Total
	Japan	Asia & Oceania	Eurasia (Europe & NIS)	Middle East & Africa	Americas *1	Total		
Balance as of December 31, 2020	—	—	—	—	(1,057)	(1,057)	36,502	35,445

Note: 1. This is the unamortized balance of negative goodwill acquired before April 1, 2010 and net amount of goodwill is stated on the balance sheet.

2. This is the unamortized balance of goodwill not attributable to a reportable segment.

3. Please refer to "Segment information" regarding to the amounts of amortization of goodwill.

(Information on negative goodwill by reportable segment)

None

(Per Share Information)

Net assets excluding non-controlling interests per share, net income per share and the calculation basis are as follows:

	For the year ended December 31, 2019	For the year ended December 31, 2020
(1) Net assets excluding non-controlling interests per share	¥ 2,082.43	¥1,874.08

	For the year ended December 31, 2019	For the year ended December 31, 2020
(2) Net income (loss) per share	¥ 84.61	¥(76.50)
(Calculation basis)		
Net income (loss) attributable to owners of parent (Millions of yen)	123,550	(111,699)
Amount not attributable to common shareholders (Millions of yen)	0	(0)
[of which Net income (loss) attributable to owners of parent related to Class A stock]	[0]	[(0)]
Net income attributable to owners of parent related to common shareholders (Millions of yen)	123,550	(111,699)
Average number of common stock (shares)	1,460,200,987	1,460,203,728

(Note): 1. Diluted net income per share is not presented because there are no dilutive potential of shares of common stock.

2. For the purpose of computing net assets excluding non-controlling interests per share, the Company's shares held by the Board Incentive Plan Trust recorded as treasury stock under shareholders' equity are included in the treasury stock to be deducted from the total number of shares issued at the end of the period. Additionally, in computing net income (loss) per share, above shares of the Company are included in the treasury stock to be deducted from the average number of shares during the period. The numbers of shares of treasury stock deducted from the total number of shares issued at the end of the period in computing net assets excluding non-controlling interests per share were 155,416 shares and 152,569 shares as of December 31, 2019 and 2020 respectively. The numbers of shares of treasury stock deducted from the average number of shares during the period in computing net income (loss) per share were 156,113 shares and 153,372 shares as of December 31, 2019 and 2020 respectively.

(Significant Subsequent Events)

None

#### 4. Non-Consolidated Financial Statements

##### (1) Non-Consolidated Balance Sheet

(Millions of yen)

Accounts	As of December 31, 2019	As of December 31, 2020
(Assets)		
Current assets		
Cash and deposits	436	431
Accounts receivable-trade	14,887	16,552
Finished goods	6,112	1,906
Work in process and partly-finished construction	90	100
Raw materials and supplies	11,213	6,001
Advance payments-trade	650	702
Prepaid expenses	810	1,042
Short-term loans receivable from subsidiaries and affiliates	163,877	171,686
Deposit paid in subsidiaries and affiliates	411,165	582,236
Other	28,031	26,890
Allowance for doubtful accounts	(46,041)	(44,479)
Total current assets	591,233	763,070
Fixed assets		
Tangible fixed assets		
Buildings, net	14,577	13,762
Structures, net	155,414	147,800
Wells, net	96	64
Machinery and equipment, net	47,442	44,048
Vehicles, net	15	23
Tools, furniture and fixtures, net	883	876
Land	16,393	16,396
Leased assets, net	28	136
Construction in progress	804	1,763
Total tangible fixed assets	235,657	224,872
Intangible assets		
Goodwill	43,455	36,502
Mining right	3	5
Software	1,036	1,114
Other	3,571	3,323
Total intangible assets	48,068	40,945

(Millions of yen)

Accounts	As of December 31, 2019	As of December 31, 2020
Investments and other assets		
Investment securities	63,872	53,389
Investments in stock of subsidiaries and affiliates	2,186,494	2,021,540
Long-term loans receivable from subsidiaries and affiliates	129,806	117,124
Long-term prepaid expenses	63	118
Deferred tax assets	—	4,343
Other	8,228	8,247
Allowance for doubtful accounts	(645)	(600)
Allowance for investments in exploration	(109,852)	(110,276)
Total investments and other assets	2,277,967	2,093,887
Total fixed assets	2,561,693	2,359,705
Total assets	3,152,926	3,122,776
(Liabilities)		
Current liabilities		
Accounts payable-trade	4,582	753
Short-term debt	—	89,027
Current portion of long-term debt	70,088	45,839
Lease obligations	14	26
Accounts payable-other	16,177	14,927
Accrued expenses	5,698	2,501
Income taxes payable	457	685
Advances received	40	—
Deposits payable	1,601	820
Deposits received from subsidiaries and affiliates	6,967	4,952
Accrued bonuses	1,151	1,200
Accrued bonuses to officers	108	54
Provision for loss on business	8,635	9,351
Asset retirement obligations	31	1,171
Other	986	437
Total current liabilities	116,541	171,747

(Millions of yen)

Accounts	As of December 31, 2019	As of December 31, 2020
Long-term liabilities		
Long-term debt	617,142	708,084
Lease obligations	12	118
Deferred tax liabilities	2,882	1,063
Accrued retirement benefits to employees	7,266	7,375
Provision for stocks payment	42	71
Provision for loss on business of subsidiaries and affiliates	16,470	15,212
Provision for loss on guarantees of subsidiaries and affiliates	29,734	34,891
Asset retirement obligations	4,482	3,816
Other	200	195
Total long-term liabilities	678,234	770,829
Total liabilities	794,776	942,577
(Net assets)		
Shareholders' equity		
Common stock	290,809	290,809
Capital surplus		
Legal capital surplus	1,023,802	1,023,802
Total capital surplus	1,023,802	1,023,802
Retained earnings		
Other retained earnings		
Reserve for advanced depreciation of non-current assets	2,105	2,105
Reserve for special depreciation	1,418	1,418
Mine prospecting reserve	8,057	8,204
Retained earnings brought forward	1,032,095	857,477
Total retained earnings	1,043,677	869,205
Treasury stock	(5,432)	(5,428)
Total shareholders' equity	2,352,857	2,178,389
Valuation, translation adjustments and others		
Unrealized holding gain on securities	5,484	2,001
Unrealized gain (loss) from hedging instruments	(192)	(192)
Total valuation, translation adjustments and others	5,292	1,808
Total net assets	2,358,149	2,180,198
Total liabilities and net assets	3,152,926	3,122,776



## (2) Non-Consolidated Statement of Income

(Millions of yen)

Accounts	For the year ended December 31, 2019	For the year ended December 31, 2020
Net sales	107,183	127,676
Cost of sales	71,863	99,570
Gross profit	35,320	28,106
Exploration expenses	1,323	486
Selling, general and administrative expenses	29,379	31,392
Operating income (loss)	4,616	(3,772)
Other income		
Interest Income	14,230	13,069
Dividend income	6,904	32,476
Gain on sales of stocks of subsidiaries and affiliates	4,450	—
Guarantee commission received	13,529	9,043
Foreign exchange gain	1,818	366
Other	2,084	3,923
Total other income	43,019	58,879
Other expenses		
Interest expenses	14,035	12,347
Loss on valuation of shares of subsidiaries and affiliates	—	161,547
Loss on valuation of shares of investment securities	3,497	6,556
Provision of allowance for investment loss in exploration	—	392
Provision for loss on business of subsidiaries and affiliates	82	—
Provision for loss on guarantees of subsidiaries and affiliates	7,493	6,496
Other	2,861	2,089
Total other expenses	27,971	189,428
Ordinary income (loss)	19,664	(134,321)
Income (loss) before income taxes	19,664	(134,321)
Income taxes-current	967	2,057
Income taxes-deferred	5,231	(5,719)
Total income taxes	6,199	(3,661)
Net income (loss)	13,465	(130,660)

(3) Non-Consolidated Statement of Changes in Net Assets  
For the year ended December 31, 2019

(Millions of yen)

	Shareholders' equity						
	Common stock	Capital Surplus		Retained earnings			
		Legal capital surplus	Total capital surplus	Other retained earnings			
				Reserve for advanced depreciation of non-current assets	Reserve for special depreciation	Mine prospecting reserve	Retained earnings brought forward
Balance at the beginning of the period	290,809	1,023,802	1,023,802	2,105	2,269	9,428	1,055,837
Changes during the period							
Reversal of reserve for special depreciation					(851)		851
Provision of mine prospecting reserve							
Reversal of mine prospecting reserve						(1,371)	1,371
Cash dividends paid							(39,429)
Net income							13,465
Disposal of treasury stock							
Other changes in items other than those in shareholders' equity(net)							
Total changes during the period	—	—	—	—	(851)	(1,371)	(23,741)
Balance at the end of the period	290,809	1,023,802	1,023,802	2,105	1,418	8,057	1,032,095

	Shareholders' equity			Valuation, translation adjustments and others			Total net assets
	Retained earnings	Treasury stock	Total Shareholders' equity	Unrealized holding gain on securities	Unrealized gain(loss) from hedging instruments	Total valuation, translation adjustments and others	
	Total retained earnings						
Balance at the beginning of the period	1,069,641	(5,434)	2,378,819	2,800	—	2,800	2,381,619
Changes during the period							
Reversal of reserve for special depreciation	—		—				—
Provision of mine prospecting reserve	—		—				—
Reversal of mine prospecting reserve	—		—				—
Cash dividends paid	(39,429)		(39,429)				(39,429)
Net income	13,465		13,465				13,465
Disposal of treasury stock		2	2				2
Other changes in items other than those in shareholders' equity(net)				2,684	(192)	2,491	2,491
Total changes during the period	(25,964)	2	(25,961)	2,684	(192)	2,491	(23,469)
Balance at the end of the period	1,043,677	(5,432)	2,352,857	5,484	(192)	5,292	2,358,149

For the year ended December 31, 2020

(Millions of yen)

	Shareholders' equity						
	Common stock	Capital Surplus		Retained earnings			
		Legal capital surplus	Total capital surplus	Other retained earnings			
				Reserve for advanced depreciation of non-current assets	Reserve for special depreciation	Mine prospecting reserve	Retained earnings brought forward
Balance at the beginning of the period	290,809	1,023,802	1,023,802	2,105	1,418	8,057	1,032,095
Changes during the period							
Reversal of reserve for special depreciation							
Provision of mine prospecting reserve						495	(495)
Reversal of mine prospecting reserve						(349)	349
Cash dividends paid							(43,810)
Net loss							(130,660)
Disposal of treasury stock							
Other changes in items other than those in shareholders' equity(net)							
Total changes during the period	—	—	—	—	—	146	(174,617)
Balance at the end of the period	290,809	1,023,802	1,023,802	2,105	1,418	8,204	857,477

	Shareholders' equity			Valuation, translation adjustments and others			Total net assets
	Retained earnings	Treasury stock	Total Shareholders' equity	Unrealized holding gain on securities	Unrealized gain(loss) from hedging instruments	Total valuation, translation adjustments and others	
	Total retained earnings						
Balance at the beginning of the period	1,043,677	(5,432)	2,352,857	5,484	(192)	5,292	2,358,149
Changes during the period							
Reversal of reserve for special depreciation	—		—				—
Provision of mine prospecting reserve	—		—				—
Reversal of mine prospecting reserve	—		—				—
Cash dividends paid	(43,810)		(43,810)				(43,810)
Net loss	(130,660)		(130,660)				(130,660)
Disposal of treasury stock		3	3				3
Other changes in items other than those in shareholders' equity(net)				(3,483)	—	(3,483)	(3,483)
Total changes during the period	(174,471)	3	(174,467)	(3,483)	—	(3,483)	(177,951)
Balance at the end of the period	869,205	(5,428)	2,178,389	2,001	(192)	1,808	2,180,198

(4) Notes to Non-Consolidated Financial Statements

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

None

## 5. Other

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

#### 1) Actual production

The following table shows actual production by segment:

Segment	Category	Corresponding Period of the Previous Fiscal Year*8	For the year ended December 31, 2020
Japan	Crude oil	1.2 MMbbls (3.3 Mbbls per day)	1.1 MMbbls (3.0 Mbbls per day)
	Natural gas	44.8 Bcf (122.9 MMcf per day)	40.5 Bcf (110.5 MMcf per day)
	Subtotal	9.6 MMboe (26.3 Mboe per day)	8.7 MMboe (23.7 Mboe per day)
	Iodine	520.7 tons	559.0 tons
	Electric power generation	208.1 million kWh	174.1 million kWh
Asia & Oceania	Crude oil	16.7 MMbbls (45.8 Mbbls per day)	15.6 MMbbls (42.7 Mbbls per day)
	Natural gas	355.0 Bcf (972.6 MMcf per day)	394.0 Bcf (1,076.5 MMcf per day)
	Subtotal	84.8 MMboe (232.2 Mboe per day)	91.5 MMboe (250.0 Mboe per day)
	Electric power generation	365.5 million kWh	372.9 million kWh
Eurasia (Europe & NIS)	Crude oil	17.4 MMbbls (47.7 Mbbls per day)	19.0 MMbbls (51.9 Mbbls per day)
	Natural gas	9.3 Bcf (25.5 MMcf per day)	9.1 Bcf (24.8 MMcf per day)
	Subtotal	19.1 MMboe (52.3 Mboe per day)	20.6 MMboe (56.3 Mboe per day)
	Sulfur	88.9 Mtons	88.3 Mtons
Middle East & Africa	Crude oil	87.9 MMbbls (240.8 Mbbls per day)	82.7 MMbbls (225.8 Mbbls per day)
Americas	Crude oil	2.8 MMbbls (7.7 Mbbls per day)	2.8 MMbbls (7.7 Mbbls per day)
	Natural gas	24.5 Bcf (67.2 MMcf per day)	19.3 Bcf (52.7 MMcf per day)
	Subtotal	7.4 MMboe (20.2 Mboe per day)	6.4 MMboe (17.5 Mboe per day)
Total	Crude oil	126.1 MMbbls (345.4 Mbbls per day)	121.2 MMbbls (331.1 Mbbls per day)
	Natural gas	433.7 Bcf (1,188.2 MMcf per day)	462.8 Bcf (1,264.6 MMcf per day)
	Subtotal	208.7 MMboe (571.8 Mboe per day)	209.9 MMboe (573.4 Mboe per day)
	Iodine	520.7 tons	559.0 tons
	Electric power generation	573.5 million kWh	547.0 million kWh
	Sulfur	88.9 Mtons	88.3 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 from January 1 to 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 140.3 MMbbls (384.4 Mbbls per day) of crude oil, 452.9 Bcf (1,240.8 MMcf per day) of natural gas, and in total 227.1 MMboe (622.1 Mboe per day) for the corresponding period of the previous fiscal year, and 131.1 MMbbls (358.3 Mbbls per day) of crude oil, 472.1 Bcf (1,290.0 MMcf per day) of natural gas, and in total 221.5 MMboe (605.1 Mboe per day) for the year ended December 31, 2020.

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.

8. The corresponding period for the fiscal year ending December 31, 2020 from January 1, 2020 to December 31, 2020 is the twelve-month period of the previous year from January 1, 2019 to December 31, 2019.

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	Corresponding Period of the Previous Fiscal Year *2		For the year ended December 31, 2020	
		Sales volume	Net sales	Sales volume	Net sales
Japan	Crude oil	700 Mbbls	5,047	621 Mbbls	3,059
	Natural gas (excluding LPG)	80,075 MMcf	117,197	77,413 MMcf	97,351
	LPG	3 Mbbls	21	2 Mbbls	14
	Other		18,849		15,413
	Subtotal		141,116		115,838
Asia & Oceania	Crude oil	16,351 Mbbls	117,549	15,580 Mbbls	71,324
	Natural gas (excluding LPG)	311,426 MMcf	156,477	361,864 MMcf	146,921
	LPG	409 Mbbls	3,384	254 Mbbls	2,723
	Subtotal		277,411		220,969
Eurasia (Europe & NIS)	Crude oil	15,220 Mbbls	105,656	16,918 Mbbls	67,147
	Natural gas (excluding LPG)	9,291 MMcf	1,924	9,086 MMcf	1,698
	Other		(247)		(476)
	Subtotal		107,332		68,369
Middle East & Africa	Crude oil	88,020 Mbbls	631,522	81,022 Mbbls	352,388
Americas	Crude oil	2,024 Mbbls	11,781	3,141 Mbbls	11,598
	Natural gas (excluding LPG)	19,317 MMcf	2,038	19,102 MMcf	1,882
	Subtotal		13,819		13,481
Total	Crude oil	122,315 Mbbls	871,557	117,282 Mbbls	505,517
	Natural gas (excluding LPG)	420,109 MMcf	277,638	467,466 MMcf	247,854
	LPG	412 Mbbls	3,406	257 Mbbls	2,737
	Other		18,601		14,937
	Total		1,171,203		771,046

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

2. The corresponding period for the fiscal year ending December 31, 2020 from January 1, 2020 to December 31, 2020 is the twelve-month period of the previous year from January 1, 2019 to December 31, 2019.

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.

Customer	For the year ended December 31, 2020	
	Amount (Millions of yen)	Ratio (%)
Ichthys LNG Pty Ltd	121,521	15.8