



Consolidated Financial Results for the Six Months ended June 30, 2021 [Japanese GAAP]

August 10, 2021

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

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 Preparation of supplementary explanatory materials : Yes
 Meeting of quarterly financial results presentation : Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded off)

1. Consolidated Financial Results for the Six Months ended June 30, 2021 (January 1, 2021-June 30, 2021)

(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 six months ended June 30, 2021	498,397	27.2	223,673	80.7	219,845	47.3	51,982	—
June 30, 2020	391,683	—	123,799	—	149,276	—	(120,799)	—

(Note): Consolidated comprehensive income: for the six months ended June 30, 2021, ¥206,147 million; (—%)
 for the six months ended June 30, 2020, ¥(214,235) million; (—%)

	Net income per share—basic	Net income per share—diluted
For the six months ended June 30, 2021	Yen 35.60	Yen —
June 30, 2020	(82.73)	—

(Note): The Company changed its consolidated fiscal year-end from March 31 to December 31, effective from the year ended December 31, 2019. As a result, the period of the 2nd quarter (January 1, 2020 to June 30, 2020) of the year ended December 31, 2020 differs from the period of the 2nd quarter (April 1, 2019 to September 30, 2019) of the year ended December 31, 2019. Therefore, percentage data for changes between the 2nd quarter of the year ended December 31, 2019 and the 2nd quarter of the year ended December 31, 2020 have not been provided.

(2) Consolidated financial position

	Total assets	Net assets	Net assets excluding non-controlling interests as a percentage of total assets
As of June 30, 2021	Millions of Yen 4,871,621	Millions of Yen 3,190,728	% 60.1
As of December 31, 2020	4,634,518	3,001,339	59.0

(Reference): Net assets excluding non-controlling interests: as of June 30, 2021, ¥2,928,885 million
 as of December 31, 2020, ¥2,736,541 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 December 31, 2020	—	12.00	—	12.00	24.00
For the year ending December 31, 2021	—	20.00			
For the year ending December 31, 2021 (forecast)			—	20.00	40.00

(Note): 1. Changes in projected dividends for the year ending December 31, 2021 from the previous forecast: Yes

2. "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. For information regarding revision of dividend forecast, please refer to the press release "Notice Concerning Interim Dividend Increase and Dividend Forecast Revision for Fiscal Year Ending December 31, 2021" issued today (August 10, 2021).

3. Forecasted Consolidated Financial 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 year ending December 31, 2021	1,134,000	47.1	513,000	106.5	545,000	111.8	170,000	—	116.42

(Note): Changes in forecasted consolidated financial results for the year ending December 31, 2021 from the previous forecast: Yes

Notes

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

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

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

1. Changes in accounting policies resulting from the revision of the accounting standards and other regulations : None
2. Other changes in accounting policies : None
3. Changes in accounting estimates : None
4. Restatement of corrections : None

(4) 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 June 30, 2021
1,462,323,600 shares as of December 31, 2020
2. Number of treasury stock at the end of the period: 2,116,093 shares as of June 30, 2021
2,119,069 shares as of December 31, 2020
3. Average number of shares: 1,460,205,381 shares for the six months ended June 30, 2021
1,460,203,039 shares for the six months ended June 30, 2020

(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, 2021: 149,593 shares As of December 31, 2020: 152,569 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 December 31, 2020	—	4,800.00	—	4,800.00	9,600.00
For the year ending December 31, 2021	—	8,000.00			
For the year ending December 31, 2021(forecast)			—	8,000.00	16,000.00

- (Note) 1. 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.
2. For information regarding revision of dividend forecast, please refer to the press release "Notice Concerning Interim Dividend Increase and Dividend Forecast Revision for Fiscal Year Ending December 31, 2021" issued today (August 10, 2021).

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1. Qualitative Information/Financial Statements

(1) Explanation on Consolidated Financial Results

Net sales for the six months ended June 30, 2021 increased by ¥106.7 billion, or 27.2%, to ¥498.3 billion from the corresponding period of the previous fiscal year due to an increase in sales price of crude oil.

Net sales of crude oil increased by ¥129.0 billion, or 52.4%, to ¥375.3 billion, and net sales of natural gas decreased by ¥23.4 billion, or 16.9%, to ¥114.8 billion.

Sales volume of crude oil decreased by 5,440 thousand barrels, or 8.9%, to 55,454 thousand barrels. Sales volume of natural gas decreased by 19,562 million cf, or 8.8%, to 203,293 million cf. Sales volume of overseas natural gas decreased by 22,400 million cf, or 12.2%, to 160,631 million cf, and sales volume of domestic natural gas increased by 76 million m³, or 7.1%, to 1,143 million m³ (42,663 million cf).

The average sales price of overseas crude oil increased by US\$25.44, or 68.3%, to US\$62.71 per barrel. The average sales price of overseas natural gas decreased by US\$0.33, or 7.9%, to US\$3.84 per thousand cf, and the average sales price of domestic natural gas decreased by ¥9.61, or 19.0%, to ¥41.04 per m³. The average exchange rate of the Japanese yen against the U.S. dollar on consolidated net sales appreciated by ¥0.52, or 0.5%, to ¥107.89 per U.S. dollar.

The increase of ¥106.7 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 ¥28.1 billion, an increase in unit sales price contributing ¥135.9 billion to the increase, the appreciation of the Japanese yen against the U.S. dollar pushing sales down of ¥2.1 billion, and an increase in net sales excluding crude oil and natural gas of ¥1.1 billion.

Meanwhile, cost of sales increased by ¥7.7 billion, or 3.4%, to ¥233.7 billion. Exploration expenses decreased by ¥2.4 billion, or 51.4%, to ¥2.2 billion. Selling, general and administrative expenses increased by ¥1.4 billion, or 4.0%, to ¥38.6 billion. As a result, operating income increased by ¥99.8 billion, or 80.7%, to ¥223.6 billion.

Other income decreased by ¥8.6 billion, or 19.1%, to ¥36.7 billion due to a decrease in equity in earnings of affiliates and others. Other expenses increased by ¥20.6 billion, or 103.7%, to ¥40.5 billion due to an increase in equity in losses of affiliates and others. As a result, ordinary income increased by ¥70.5 billion, or 47.3%, to ¥219.8 billion.

Total amount of current income taxes and deferred income taxes increased by ¥97.7 billion, or 124.9%, to ¥176.0 billion, and net loss attributable to non-controlling interests was ¥8.1 billion. As a result of the above effects, net income attributable to owners of parent was ¥51.9 billion compared with ¥120.7 billion of net loss attributable to owners of parent for the corresponding period of the previous fiscal year.

Financial results by segment are as follows:

1) Japan

Net sales decreased by ¥6.1 billion, or 9.7%, to ¥57.0 billion due to a decrease in sales price of natural gas. Operating income decreased by ¥2.1 billion, or 16.9%, to ¥10.4 billion.

2) Asia & Oceania

Net sales increased by ¥3.5 billion, or 3.1%, to ¥119.5 billion due to an increase in sales price of crude oil. Operating income increased by ¥12.3 billion, or 38.7%, to ¥44.2 billion.

3) Eurasia (Europe & NIS)

Net sales increased by ¥24.3 billion, or 82.5%, to ¥53.9 billion due to an increase in sales price of crude oil. Operating income was ¥13.0 billion compared with ¥1.5 billion of operating loss for the corresponding period of the previous fiscal year.

4) Middle East & Africa

Net sales increased by ¥82.3 billion, or 47.1%, to ¥257.4 billion due to a combination effect of an increase in sales price of crude oil and a decrease in sales volume. Operating income increased by ¥69.6 billion, or 77.7%, to ¥159.2 billion.

5) Americas

Net sales increased by ¥2.5 billion, or 32.0%, to ¥10.4 billion due to a combination effect of an increase in sales price of crude oil and a decrease in sales volume. Operating income was ¥4.6 billion compared with ¥2.4 billion of operating loss for the corresponding period of the previous fiscal year.

(2) Explanation on Consolidated Financial Position

Total assets as of June 30, 2021 increased by ¥237.1 billion to ¥4,871.6 billion from ¥4,634.5 billion as of December 31, 2020. Current assets increased by ¥36.7 billion to ¥423.8 billion due to an increase in accounts receivable-trade and others. Fixed assets increased by ¥200.3 billion to ¥4,447.7 billion due to increases in tangible fixed assets, investments and other assets and others. Meanwhile, total liabilities increased by ¥47.7 billion to ¥1,680.8 billion from ¥1,633.1 billion as of December 31, 2020. Current liabilities decreased by ¥61.2 billion to ¥278.0 billion and long-term liabilities increased by ¥108.9 billion to ¥1,402.8 billion. Net assets increased by ¥189.3 billion to ¥3,190.7 billion. Total shareholders' equity increased by ¥34.8 billion to ¥2,602.1 billion. Total accumulated other comprehensive income increased by ¥157.4 billion to ¥326.7 billion and non-controlling interests in net assets decreased by ¥2.9 billion to ¥261.8 billion.

Cash and cash equivalents as of June 30, 2021 totaled ¥171.3 billion reflecting a net decrease of ¥1.0 billion from ¥172.4 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 ¥5.0 billion to ¥178.6 billion. This is due mainly to a combination effect of the absence of impairment loss (non-cash) and income before income taxes caused by an increase in sales price of crude oil and others.

2) Cash flows from investing activities

Net cash used in investing activities decreased by ¥101.9 billion to ¥65.8 billion. This is due mainly to the absence of payments for time deposits and an increase in proceeds from sales and redemptions of investment securities.

3) Cash flows from financing activities

Net cash used in financing activities was ¥125.4 billion compared with ¥124.0 billion of net cash provided by financing activities for the corresponding period of the previous fiscal year. This is due mainly to decreases in short-term loans and proceeds from long-term debt.

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

The consolidated financial forecasts for the year ending December 31, 2021 have been revised from the previous forecasts announced on May 13, 2021, taking into consideration factors including the revision of its crude oil price assumptions for the year and the consolidated financial results for the six months ended June 30, 2021, etc.

Forecasts for consolidated financial results for the year ending December 31, 2021

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income (loss) attributable to owners of parent
Previous Forecasts: A	1,055,000	452,000	483,000	140,000
Revised Forecasts: B	1,134,000	513,000	545,000	170,000
Increase (Decrease): B-A	79,000	61,000	62,000	30,000
Percentage change (%)	7.5	13.5	12.8	21.4

The above forecasts are calculated based on the following assumptions:

	Previous Forecasts		Revised Forecasts	
Crude oil price (Brent)	1st quarter (actual):	US\$ 61.3/bbl	1st half (actual):	US\$ 65.2/bbl
	From 2nd quarter:	US\$ 60.0/bbl	2nd half:	US\$ 65.0/bbl
	Full Year average:	US\$ 60.3/bbl	Full Year average:	US\$ 65.1/bbl
Exchange rate	1st quarter (actual):	¥106.1/US\$	1st half (actual):	¥107.8/US\$
	From 2nd quarter:	¥108.0/US\$	2nd half:	¥110.0/US\$
	Full Year average:	¥107.5/US\$	Full Year average:	¥108.9/US\$

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

2. Consolidated Financial Statements and Principal Notes

(1) Consolidated Balance Sheet

(Millions of yen)

Accounts	As of December 31, 2020	As of June 30, 2021
(Assets)		
Current assets		
Cash and deposits	182,978	182,598
Accounts receivable-trade	83,810	103,068
Inventories	34,299	41,589
Other	98,229	108,206
Less allowance for doubtful accounts	(12,225)	(11,639)
Total current assets	387,093	423,823
Fixed assets		
Tangible fixed assets		
Buildings and structures, net	168,002	164,132
Wells, net	265,337	306,245
Machinery, equipment and vehicles, net	1,207,911	1,420,238
Land	18,591	18,622
Construction in progress	385,405	252,699
Other, net	24,533	23,070
Total tangible fixed assets	2,069,783	2,185,008
Intangible assets		
Goodwill	35,445	33,026
Other	406,391	416,337
Total intangible assets	441,837	449,364
Investments and other assets		
Investment securities	297,867	310,264
Long-term loans receivable	911,424	987,391
Recoverable accounts under production sharing	575,544	561,437
Other	23,469	22,553
Less allowance for doubtful accounts	(600)	(653)
Less allowance for recoverable accounts under production sharing	(69,441)	(65,072)
Less allowance for investments in exploration	(2,460)	(2,495)
Total investments and other assets	1,735,804	1,813,424
Total fixed assets	4,247,424	4,447,797
Total assets	4,634,518	4,871,621

(Millions of yen)

Accounts	As of December 31, 2020	As of June 30, 2021
(Liabilities)		
Current liabilities		
Accounts payable-trade	15,090	11,792
Short-term loans	175,133	61,779
Income taxes payable	12,676	41,769
Accrued bonuses	1,415	—
Accrued bonuses to officers	54	27
Provision for loss on business	9,351	10,387
Provision for exploration projects	9,496	10,050
Asset retirement obligations	1,475	1,151
Other	114,594	141,075
Total current liabilities	339,288	278,032
Long-term liabilities		
Bonds payable	—	20,000
Long-term debt	1,059,713	1,114,442
Provision for stocks payment	71	84
Accrued special repair and maintenance	577	647
Liability for retirement benefits	8,158	8,178
Asset retirement obligations	172,147	188,556
Other	53,221	70,950
Total long-term liabilities	1,293,890	1,402,860
Total liabilities	1,633,178	1,680,892
(Net assets)		
Shareholders' equity		
Common stock	290,809	290,809
Capital surplus	674,374	674,784
Retained earnings	1,607,524	1,641,983
Treasury stock	(5,428)	(5,425)
Total shareholders' equity	2,567,279	2,602,152
Accumulated other comprehensive income		
Unrealized holding gain (loss) on securities	2,091	2,493
Unrealized gain (loss) from hedging instruments	(54,054)	(39,421)
Translation adjustments	221,224	363,661
Total accumulated other comprehensive income	169,261	326,732
Non-controlling interests	264,798	261,843
Total net assets	3,001,339	3,190,728
Total liabilities and net assets	4,634,518	4,871,621

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

(Millions of yen)

Accounts	For the six months ended June 30, 2020	For the six months ended June 30, 2021
Net sales	391,683	498,397
Cost of sales	226,006	233,774
Gross profit	165,677	264,622
Exploration expenses	4,692	2,281
Selling, general and administrative expenses	37,185	38,667
Operating income	123,799	223,673
Other income		
Interest income	591	14,490
Dividend income	5,938	3,490
Equity in earnings of affiliates	30,700	—
Gain on reversal of allowance for recoverable accounts under production sharing	—	4,371
Foreign exchange gain	3,704	—
Other	4,450	14,380
Total other income	45,384	36,732
Other expenses		
Interest expense	11,532	6,961
Equity in losses of affiliates	—	12,978
Provision for allowance for recoverable accounts under production sharing	2,233	—
Foreign exchange loss	—	10,687
Other	6,142	9,933
Total other expenses	19,907	40,560
Ordinary income	149,276	219,845
Extraordinary loss		
Impairment loss	192,449	—
Total extraordinary loss	192,449	—
Income (loss) before income taxes	(43,173)	219,845
Income taxes-current	91,429	158,640
Income taxes-deferred	(13,147)	17,405
Total income taxes	78,281	176,045
Net income (loss)	(121,455)	43,800
Net loss attributable to non-controlling interests	(655)	(8,182)
Net income (loss) attributable to owners of parent	(120,799)	51,982

Consolidated Statement of Comprehensive Income

(Millions of yen)

Accounts	For the six months ended June 30, 2020	For the six months ended June 30, 2021
Net income (loss)	(121,455)	43,800
Other comprehensive income		
Unrealized holding gain (loss) on securities	(7,419)	419
Unrealized gain (loss) from hedging instruments	199	(3,137)
Translation adjustments	(36,315)	142,905
Share of other comprehensive income of associates accounted for by the equity method	(49,243)	22,160
Total other comprehensive income	(92,779)	162,346
Comprehensive income	(214,235)	206,147
Total comprehensive income attributable to		
Owners of parent	(212,533)	209,454
Non-controlling interests	(1,701)	(3,307)

(3) Consolidated Statement of Cash Flows

(Millions of yen)

Accounts	For the six months ended June 30, 2020	For the six months ended June 30, 2021
Cash flows from operating activities		
Income (loss) before income taxes	(43,173)	219,845
Depreciation and amortization	88,848	77,249
Impairment loss	192,449	—
Amortization of goodwill	3,380	3,380
Provision for allowance for recoverable accounts under production sharing	2,211	(4,368)
Provision for exploration projects	(3,213)	(26)
Other provisions	(375)	638
Liability for retirement benefits	(33)	79
Interest and dividend income	(6,529)	(17,981)
Interest expense	11,532	6,972
Foreign exchange loss (gain)	(3,320)	10,503
Equity in losses (earnings) of affiliates	(30,700)	12,978
Recovery of recoverable accounts under production sharing (capital expenditures)	14,892	28,263
Decrease (increase) in recoverable accounts under production sharing (operating expenditures)	(1,250)	(601)
Decrease (increase) in accounts receivable-trade	81,266	(19,433)
Decrease (increase) in inventories	634	(6,948)
Increase (decrease) in accounts payable-trade	(11,486)	(4,965)
Other	523	(992)
Subtotal	295,656	304,594
Interest and dividends received	10,463	7,664
Interest paid	(11,116)	(5,812)
Income taxes paid	(121,437)	(127,830)
Net cash provided by (used in) operating activities	173,565	178,616

(Millions of yen)

Accounts	For the six months ended June 30, 2020	For the six months ended June 30, 2021
Cash flows from investing activities		
Payments for time deposits	(54,125)	—
Proceeds from time deposits	2	—
Payments for purchases of tangible fixed assets	(68,253)	(63,585)
Proceeds from sales of tangible fixed assets	354	89
Payments for purchases of intangible assets	(2,638)	(1,823)
Payments for purchases of investment securities	(431)	(880)
Proceeds from sales and redemptions of investment securities	1,318	16,944
Investment in recoverable accounts under production sharing (capital expenditures)	(18,941)	(13,619)
Decrease (increase) in short-term loans receivable	241	162
Long-term loans made	(28,701)	(17,119)
Collection of long-term loans receivable	3,290	15,195
Payments for acquisitions of participating interests	—	(1,497)
Other	121	304
Net cash provided by (used in) investing activities	(167,762)	(65,830)
Cash flows from financing activities		
Increase (decrease) in short-term loans	54,371	(94,307)
Proceeds from long-term debt	155,884	24,806
Repayments of long-term debt	(54,803)	(54,929)
Proceeds from issuance of bonds	—	20,000
Proceeds from non-controlling interests for additional shares	1,608	2,013
Cash dividends paid	(26,270)	(17,515)
Cash dividends paid to non-controlling interests	(4,098)	(171)
Other	(2,594)	(5,355)
Net cash provided by (used in) financing activities	124,096	(125,459)
Effect of exchange rate changes on cash and cash equivalents	(487)	11,583
Net increase (decrease) in cash and cash equivalents	129,412	(1,090)
Cash and cash equivalents at beginning of the period	173,774	172,405
Cash and cash equivalents at end of the period	303,186	171,315

(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 six months ended June 30, 2021 (January 1, 2021 through June 30, 2021):

None

(Note on significant changes in shareholders' equity)

For the six months ended June 30, 2021 (January 1, 2021 through June 30, 2021):

None

(Segment information)

I. For the six months ended June 30, 2020 (January 1, 2020 through June 30, 2020)

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	63,147	116,020	29,541	175,029	7,943	391,683	—	391,683
Intercompany sales and transfers between segments	—	3,507	—	—	—	3,507	(3,507)	—
Total	63,147	119,527	29,541	175,029	7,943	395,190	(3,507)	391,683
Segment income (loss)	12,565	31,937	(1,580)	89,621	(2,431)	130,111	(6,312)	123,799

Note: 1. Adjustments of segment income of ¥(6,312) 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

Impairment loss due to deteriorating business environments based on the drop in oil prices are as follows.

"Asia & Oceania" segment - the Prelude FLNG Project:¥130,851 million, Bayu-Undan Gas-Condensate Field:¥8,948 million

"Americas" segment - U.S. shale oil project:¥33,696 million, Lucius Oil Field:¥18,952 million

II. For the six months ended June 30, 2021 (January 1, 2021 through June 30, 2021)

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	57,027	119,561	53,910	257,409	10,489	498,397	—	498,397
Intercompany sales and transfers between segments	—	5,160	—	—	—	5,160	(5,160)	—
Total	57,027	124,722	53,910	257,409	10,489	503,558	(5,160)	498,397
Segment income (loss)	10,447	44,282	13,098	159,275	4,656	231,760	(8,086)	223,673

Note: 1. Adjustments of segment income of ¥(8,086) 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 six months ended June 30, 2021 (January 1, 2021 through June 30, 2021):

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 six months ended June 30, 2020	For the six months ended June 30, 2021
Japan	Crude oil	0.6 MMbbls (3.1 Mbbls per day)	0.5 MMbbls (3.0 Mbbls per day)
	Natural gas	21.2 Bcf (116.6 MMcf per day)	20.2 Bcf (111.8 MMcf per day)
	Subtotal	4.6 MMboe (25.0 Mboe per day)	4.3 MMboe (24.0 Mboe per day)
	Iodine	290.2 tons	289.1 tons
	Electric power generation	110.4 million kWh	113.1 million kWh
Asia & Oceania	Crude oil	7.6 MMbbls (41.6 Mbbls per day)	8.0 MMbbls (44.1 Mbbls per day)
	Natural gas	181.8 Bcf (999.1 MMcf per day)	167.0 Bcf (922.4 MMcf per day)
	Subtotal	42.5 MMboe (233.6 Mboe per day)	40.3 MMboe (222.5 Mboe per day)
	Electric power generation	186.4 million kWh	200.5 million kWh
Eurasia (Europe & NIS)	Crude oil	10.2 MMbbls (55.9 Mbbls per day)	9.0 MMbbls (49.6 Mbbls per day)
	Natural gas	4.8 Bcf (26.6 MMcf per day)	4.6 Bcf (25.2 MMcf per day)
	Subtotal	11.0 MMboe (60.6 Mboe per day)	9.8 MMboe (54.1 Mboe per day)
	Sulfur	48.2 Mtons	47.8 Mtons
Middle East & Africa	Crude oil	44.3 MMbbls (243.6 Mbbls per day)	38.4 MMbbls (212.3 Mbbls per day)
Americas	Crude oil	1.6 MMbbls (9.0 Mbbls per day)	1.3 MMbbls (7.1 Mbbls per day)
	Natural gas	9.6 Bcf (52.7 MMcf per day)	7.6 Bcf (42.0 MMcf per day)
	Subtotal	3.4 MMboe (18.8 Mboe per day)	2.7 MMboe (15.0 Mboe per day)
Total	Crude oil	64.3 MMbbls (353.2 Mbbls per day)	57.2 MMbbls (316.1 Mbbls per day)
	Natural gas	217.5 Bcf (1,195.0 MMcf per day)	199.4 Bcf (1,101.4 MMcf per day)
	Subtotal	105.9 MMboe (581.6 Mboe per day)	95.6 MMboe (527.9 Mboe per day)
	Iodine	290.2 tons	289.1 tons
	Electric power generation	296.8 million kWh	313.7 million kWh
	Sulfur	48.2 Mtons	47.8 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 six 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 69.6 MMbbls (382.6 Mbbls per day) of crude oil, 224.7 Bcf (1,234.5 MMcf per day) of natural gas, and in total 112.5 MMboe (618.1 Mboe per day) for the six months ended June 30, 2020, and 62.2 MMbbls (343.7 Mbbls per day) of crude oil, 206.8 Bcf (1,142.4 MMcf per day) of natural gas, and in total 101.8 MMboe (562.6 Mboe per day) for the six months ended June 30, 2021.

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 six months ended June 30, 2020		For the six months ended June 30, 2021	
		Sales volume	Net sales	Sales volume	Net sales
Japan	Crude oil	335 Mbbls	1,670	273 Mbbls	1,955
	Natural gas (excluding LPG)	39,826 MMcf	54,052	42,663 MMcf	46,917
	LPG	1 Mbbls	7	1 Mbbls	10
	Other		7,417		8,143
	Subtotal		63,147		57,027
Asia & Oceania	Crude oil	7,209 Mbbls	34,300	7,685 Mbbls	52,075
	Natural gas (excluding LPG)	168,905 MMcf	80,279	147,078 MMcf	65,999
	LPG	159 Mbbls	1,440	173 Mbbls	1,485
	Subtotal		116,020		119,561
Eurasia (Europe & NIS)	Crude oil	8,486 Mbbls	28,850	8,083 Mbbls	55,375
	Natural gas (excluding LPG)	4,853 MMcf	1,001	4,685 MMcf	(1,541)
	Other		(309)		76
	Subtotal		29,541		53,910
Middle East & Africa	Crude oil	42,925 Mbbls	175,029	38,002 Mbbls	257,409
Americas	Crude oil	1,940 Mbbls	6,498	1,411 Mbbls	8,550
	Natural gas (excluding LPG)	9,272 MMcf	1,444	8,868 MMcf	1,938
	Subtotal		7,943		10,489
Total	Crude oil	60,894 Mbbls	246,350	55,454 Mbbls	375,366
	Natural gas (excluding LPG)	222,856 MMcf	136,777	203,293 MMcf	113,313
	LPG	160 Mbbls	1,447	174 Mbbls	1,496
	Other		7,107		8,220
	Total		391,683		498,397

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

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