



Consolidated Financial Results for the Three Months ended March 31, 2022 [Japanese GAAP]

May 11, 2022

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

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Meeting of quarterly financial results presentation : None

(Amounts less than one million yen are rounded off)

1. Consolidated Financial Results for the Three Months ended March 31, 2022 (January 1, 2022 - March 31, 2022)

(1) Consolidated operating results

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

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
For the three months ended								
March 31, 2022	485,391	99.2	228,315	115.3	277,865	162.0	94,087	146.4
March 31, 2021	243,697	(2.4)	106,054	5.1	106,043	(1.6)	38,183	13.7

(Note): Consolidated comprehensive income: for the three months ended March 31, 2022, ¥272,985 million; (39.5%)
for the three months ended March 31, 2021, ¥195,658 million; (—%)

	Net income per share-basic	Net income per share-diluted
For the three months ended	Yen	Yen
March 31, 2022	67.86	—
March 31, 2021	26.15	—

(2) Consolidated financial position

	Total assets	Net assets	Net assets excluding non-controlling interests as a percentage of total assets
	Millions of Yen	Millions of Yen	%
As of March 31, 2022	5,759,754	3,602,168	58.2
As of December 31, 2021	5,158,196	3,346,409	60.6

(Reference): Net assets excluding non-controlling interests: as of March 31, 2022, ¥3,353,919 million
as of December 31, 2021, ¥3,124,065 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, 2021	—	20.00	—	28.00	48.00
For the year ending December 31, 2022	—				
For the year ending December 31, 2022 (forecast)		27.00	—	27.00	54.00

(Note): 1. Changes in projected dividends for the year ending December 31, 2022 from the previous forecast: None

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. Forecasts for Consolidated Financial Results for the year ending December 31, 2022 (January 1, 2022 - December 31, 2022)

(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, 2022	1,019,000	104.5	535,000	139.2	613,000	178.8	200,000	284.7	144.25
For the year ending December 31, 2022	1,851,000	48.8	924,000	56.4	1,042,000	58.4	300,000	34.5	216.37

(Note): Changes in forecasts for consolidated financial results for the year ending December 31, 2022 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 : Yes
2. Other changes in accounting policies : None
3. Changes in accounting estimates : Yes
4. Restatement of corrections : None

(Note): Please refer to "2. Consolidated Financial Statements and Principal Notes (3) Notes to Consolidated Financial Statements (Changes in Accounting Policies) and (Changes in Accounting Estimates)" on page 9 and 10 for further information.

(4) Number of shares issued (Common stock)

1. Number of shares issued at the end of the period (including treasury stock): 1,386,667,167 shares as of March 31, 2022
1,462,323,600 shares as of December 31, 2021
2. Number of treasury stock at the end of the period: 147,219 shares as of March 31, 2022
75,805,993 shares as of December 31, 2021
3. Average number of shares: 1,386,518,175 shares for the three months ended March 31, 2022
1,460,204,531 shares for the three months ended March 31, 2021

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

(As of March 31, 2022: 147,219 shares As of December 31, 2021: 149,593 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. Regarding the forecasts, please refer to "1. Qualitative Information / Financial Statements (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, 2021	—	8,000.00	—	11,200.00	19,200.00
For the year ending December 31, 2022	—				
For the year ending December 31, 2022 (forecast)		10,800.00	—	10,800.00	21,600.00

(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. Qualitative Information/Financial Statements

(1) Explanation on Consolidated Financial Results

Net sales for the three months ended March 31, 2022 increased by ¥241.6 billion, or 99.2%, to ¥485.3 billion from the corresponding period of the previous fiscal year due to an increase in sales price of crude oil and natural gas.

Net sales of crude oil increased by ¥180.9 billion, or 103.7%, to ¥355.4 billion, and net sales of natural gas increased by ¥59.2 billion, or 91.6%, to ¥123.9 billion.

Sales volume of crude oil increased by 7,935 thousand barrels, or 29.1%, to 35,176 thousand barrels, and sales volume of natural gas increased by 5,430 million cf, or 4.5%, to 125,785 million cf. Sales volume of overseas natural gas increased by 3,922 million cf, or 4.1%, to 99,215 million cf, and sales volume of domestic natural gas increased by 40 million m³, or 6.0%, to 712 million m³ (26,570 million cf).

The average sales price of overseas crude oil increased by US\$26.54, or 44.0%, to US\$86.92 per barrel. The average sales price of overseas natural gas increased by US\$2.84, or 75.9%, to US\$6.58 per thousand cf, and the average sales price of domestic natural gas increased by ¥28.69, or 74.9%, to ¥66.98 per m³. The average exchange rate of the Japanese yen against the U.S. dollar on consolidated net sales depreciated by ¥9.90, or 9.3%, to ¥116.03 per U.S. dollar.

The increase of ¥241.6 billion in net sales was mainly derived from the following factors: regarding net sales of crude oil and natural gas, an increase in sales volume contributing ¥53.1 billion to the increase, an increase in unit sales price contributing ¥150.3 billion to the increase, the depreciation of the Japanese yen against the U.S. dollar contributing ¥36.7 billion to the increase, and an increase in net sales excluding crude oil and natural gas of ¥1.4 billion.

Meanwhile, cost of sales increased by ¥109.2 billion, or 93.9%, to ¥225.5 billion. Exploration expenses increased by ¥5.1 billion, or 404.3%, to ¥6.4 billion. Selling, general and administrative expenses increased by ¥5.0 billion, or 25.0%, to ¥25.0 billion. As a result, operating income increased by ¥122.2 billion, or 115.3%, to ¥228.3 billion.

Other income increased by ¥39.2 billion, or 181.2%, to ¥60.8 billion due to posting equity in earnings of affiliates and others.

Other expenses decreased by ¥10.3 billion, or 47.7%, to ¥11.3 billion due to a decrease in foreign exchange loss and others. As a result, ordinary income increased by ¥171.8 billion, or 162.0%, to ¥277.8 billion.

Total amount of current income taxes and deferred income taxes increased by ¥103.8 billion, or 129.1%, to ¥184.2 billion, and net loss attributable to non-controlling interests was ¥0.4 billion. As a result of the above effects, net income attributable to owners of parent increased by ¥55.9 billion, or 146.4%, to ¥94.0 billion.

Financial results by segment are as follows:

1) Japan

Net sales increased by ¥23.2 billion, or 73.7%, to ¥54.6 billion due to an increase in sales price of natural gas.

Operating loss was ¥10.6 billion compared with ¥3.1 billion of operating income for the corresponding period of the previous fiscal year due to an increase in cost of sales.

2) Asia & Oceania

Net sales increased by ¥55.4 billion, or 82.1%, to ¥123.0 billion due to an increase in sales price of crude oil and natural gas.

Operating income increased by ¥36.7 billion, or 121.6%, to ¥66.8 billion.

3) Eurasia (Europe & NIS)

Net sales increased by ¥64.5 billion, or 286.2%, to ¥87.1 billion due to increases in sales volume and sales price of crude oil.

Operating income increased by ¥39.6 billion to ¥43.2 billion.

4) Middle East & Africa

Net sales increased by ¥96.7 billion, or 82.9%, to ¥213.3 billion due to increases in sales volume and sales price of crude oil.

Operating income increased by ¥57.3 billion, or 80.9%, to ¥128.2 billion.

5) Americas

Net sales increased by ¥1.7 billion, or 32.0%, to ¥7.1 billion due to an increase in sales price of crude oil.

Operating income increased by ¥1.8 billion, or 65.5%, to ¥4.5 billion.

(2) Explanation on Consolidated Financial Position

Total assets as of March 31, 2022 increased by ¥601.5 billion to ¥5,759.7 billion from ¥5,158.1 billion as of December 31, 2021. Current assets increased by ¥244.5 billion to ¥763.4 billion due to an increase in cash and deposits and others. Fixed assets increased by ¥356.9 billion to ¥4,996.3 billion due to increases in tangible fixed assets, investments and other assets, and others. Meanwhile, total liabilities increased by ¥345.8 billion to ¥2,157.5 billion from ¥1,811.7 billion as of December 31, 2021. Current liabilities increased by ¥136.8 billion to ¥485.7 billion and long-term liabilities increased by ¥208.9 billion to ¥1,671.8 billion. Net assets increased by ¥255.7 billion to ¥3,602.1 billion. Total shareholders' equity increased by ¥55.8 billion to ¥2,736.4 billion. Total accumulated other comprehensive income increased by ¥173.9 billion to ¥617.4 billion and non-controlling interests in net assets increased by ¥25.9 billion to ¥248.2 billion.

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

Crude oil and natural gas production operations largely progressed steadily, and forecasts for consolidated financial results for the six months ending June 30, 2022 and the year ending December 31, 2022 have been revised from those announced on February 9, 2022 as follows due to factors including the upturn in crude oil prices for the three months ended March 31, 2022 and the revision of its crude oil price assumptions for the year as well as the depreciation of the Japanese yen against the U.S. dollar.

Forecasts for consolidated financial results for the six months ending June 30, 2022

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent
Previous Forecasts: A	820,000	394,000	466,000	150,000
Revised Forecasts: B	1,019,000	535,000	613,000	200,000
Increase (Decrease): B-A	199,000	141,000	147,000	50,000
Percentage change (%)	24.3	35.8	31.5	33.3

Forecasts for consolidated financial results for the year ending December 31, 2022

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent
Previous Forecasts: A	1,541,000	716,000	824,000	250,000
Revised Forecasts: B	1,851,000	924,000	1,042,000	300,000
Increase (Decrease): B-A	310,000	208,000	218,000	50,000
Percentage change (%)	20.1	29.1	26.5	20.0

The above forecasts are calculated based on the following assumptions:

	Previous Forecasts	Revised Forecasts
Crude oil price (Brent)	First Half average: US\$80.0/bbl	First Half average: US\$95.0/bbl
	Second Half average: US\$70.0/bbl	Second Half average: US\$75.0/bbl
	• 3rd quarter average: US\$75.0/bbl	• 3rd quarter average: US\$80.0/bbl
	• 4th quarter average: US\$65.0/bbl	• 4th quarter average: US\$70.0/bbl
	Full Year average: US\$75.0/bbl	Full Year average: US\$85.0/bbl
Exchange rate	First Half average: ¥110.0/US\$	First Half average: ¥120.0/US\$
	Second Half average: ¥110.0/US\$	Second Half average: ¥120.0/US\$
	Full Year average: ¥110.0/US\$	Full Year average: ¥120.0/US\$

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

2. Consolidated Financial Statements and Principal Notes

(1) Consolidated Balance Sheet

(Millions of yen)

Accounts	As of December 31, 2021	As of March 31, 2022
(Assets)		
Current assets		
Cash and deposits	201,765	334,468
Accounts receivable-trade	168,224	—
Accounts receivable-trade and contract assets	—	240,749
Inventories	47,817	52,256
Other	113,161	148,850
Less allowance for doubtful accounts	(12,104)	(12,878)
Total current assets	518,864	763,446
Fixed assets		
Tangible fixed assets		
Buildings and structures, net	163,165	161,775
Wells, net	345,946	398,393
Machinery, equipment and vehicles, net	1,418,656	1,556,056
Land	18,666	18,692
Construction in progress	292,836	273,278
Other, net	20,578	20,734
Total tangible fixed assets	2,259,849	2,428,929
Intangible assets		
Goodwill	29,550	44,016
Other	417,110	440,636
Total intangible assets	446,660	484,653
Investments and other assets		
Investment securities	403,356	533,300
Long-term loans receivable	1,011,801	1,034,894
Recoverable accounts under production sharing	548,170	534,880
Other	33,417	39,958
Less allowance for doubtful accounts	(652)	(695)
Less allowance for recoverable accounts under production sharing	(61,871)	(58,280)
Less allowance for investments in exploration	(1,400)	(1,333)
Total investments and other assets	1,932,821	2,082,724
Total fixed assets	4,639,332	4,996,308
Total assets	5,158,196	5,759,754

(Millions of yen)

Accounts	As of December 31, 2021	As of March 31, 2022
(Liabilities)		
Current liabilities		
Accounts payable-trade	14,888	53,577
Short-term loans	80,493	91,232
Income taxes payable	51,350	100,229
Provision for bonuses	1,386	—
Provision for bonuses to officers	200	35
Provision for loss on business	9,400	8,811
Provision for exploration projects	9,444	10,449
Asset retirement obligations	672	3,704
Other	181,051	217,738
Total current liabilities	348,888	485,778
Long-term liabilities		
Bonds payable	30,000	30,000
Long-term debt	1,069,721	1,175,240
Provision for stocks payment	100	106
Provision for special repair and maintenance	650	680
Liability for retirement benefits	7,048	8,621
Asset retirement obligations	258,339	334,519
Other	97,037	122,638
Total long-term liabilities	1,462,897	1,671,807
Total liabilities	1,811,786	2,157,586
(Net assets)		
Shareholders' equity		
Common stock	290,809	290,809
Capital surplus	681,398	681,999
Retained earnings	1,783,841	1,763,854
Treasury stock	(75,425)	(174)
Total shareholders' equity	2,680,624	2,736,489
Accumulated other comprehensive income		
Unrealized holding gain (loss) on securities	2,640	3,901
Deferred gain (loss) on hedges	(16,171)	(4,608)
Translation adjustments	456,972	618,136
Total accumulated other comprehensive income	443,441	617,429
Non-controlling interests	222,344	248,249
Total net assets	3,346,409	3,602,168
Total liabilities and net assets	5,158,196	5,759,754

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

(Millions of yen)

Accounts	For the three months ended March 31, 2021	For the three months ended March 31, 2022
Net sales	243,697	485,391
Cost of sales	116,320	225,554
Gross profit	127,377	259,836
Exploration expenses	1,284	6,479
Selling, general and administrative expenses	20,038	25,041
Operating income	106,054	228,315
Other income		
Interest income	8,252	8,784
Dividend income	2,494	6,471
Equity in earnings of affiliates	—	34,350
Gain on reversal of allowance for recoverable accounts under production sharing	1,924	2,989
Other	8,981	8,283
Total other income	21,653	60,879
Other expenses		
Interest expense	3,523	3,777
Equity in losses of affiliates	2,028	—
Foreign exchange loss	10,932	3,929
Other	5,180	3,621
Total other expenses	21,664	11,329
Ordinary income	106,043	277,865
Income before income taxes	106,043	277,865
Income taxes-current	74,088	167,470
Income taxes-deferred	6,337	16,757
Total income taxes	80,425	184,227
Net income	25,617	93,637
Net loss attributable to non-controlling interests	(12,565)	(449)
Net income attributable to owners of parent	38,183	94,087

Consolidated Statement of Comprehensive Income

(Millions of yen)

Accounts	For the three months ended March 31, 2021	For the three months ended March 31, 2022
Net income	25,617	93,637
Other comprehensive income		
Unrealized holding gain (loss) on securities	2,181	1,308
Deferred gain (loss) on hedges	(597)	(9,449)
Translation adjustments	145,429	161,508
Share of other comprehensive income of associates accounted for by the equity method	23,028	25,980
Total other comprehensive income	170,041	179,347
Comprehensive income	195,658	272,985
Total comprehensive income attributable to		
Owners of parent	203,195	268,075
Non-controlling interests	(7,537)	4,909

(3) Notes to Consolidated Financial Statements

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

For the three months ended March 31, 2022 (January 1, 2022 through March 31, 2022):

None

(Note on significant changes in shareholders' equity)

For the three months ended March 31, 2022 (January 1, 2022 through March 31, 2022):

None

(Changes in Accounting Policies)

(Application of Accounting Standard for Revenue Recognition and others)

Effective from the beginning of the three months ended March 31, 2022, the Group applied "Accounting Standard for Revenue Recognition" (ASBJ Statement No.29, March 31, 2020, hereinafter referred to as "Revenue Recognition Accounting Standard") and others. Under the Revenue Recognition Accounting Standard and others, revenue is recognized when the control of the promised goods or services is transferred to the customer at the amount expected to be received in exchange for the goods or services.

The main changes resulting from the application of the Revenue Recognition Accounting Standard and others are as follows.

1. Non-monetary exchanges

For non-monetary exchanges of petroleum products which have the same nature and value between entities in the same line of business, the Group has changed the practice to recognize revenue based on a net amount.

2. Light oil delivery taxes

For light oil delivery taxes which fall under the amount collected for third parties, the Group changed the practice to recognize revenue at an amount excluding light oil delivery taxes from consideration for transactions.

In accordance with the transitional treatment provided in the provisory clause of paragraph 84 of the Revenue Recognition Accounting Standard, the cumulative effect at the end of previous fiscal year from retrospective application of the Revenue Recognition Accounting Standard is treated as adjustment to retained earnings at the beginning of the three months ended March 31, 2022, and the new accounting policy is applied from the adjusted beginning balance of retained earnings.

As a result, the consolidated net sales and cost of sales for the three months ended March 31, 2022 decreased by ¥452 million, respectively, and there was no effect on operating income, ordinary income, and income before income taxes. In addition, there was also no effect on the beginning balance of retained earnings for the three months ended March 31, 2022.

Due to the application of Revenue Recognition Accounting Standard and others, "Accounts receivable-trade" under current assets of the consolidated balance sheet as of December 31, 2021 has been included in "Accounts receivable-trade and contract assets" under current assets from the consolidated balance sheet as of March 31, 2022.

In accordance with the transitional treatment provided for in paragraph 89-2 of the Revenue Recognition Accounting Standard, figures as of December 31, 2021 have not been restated in accordance with the new approach to presentation.

(Application of Accounting Standard for Fair Value Measurement and others)

Effective from the beginning of the three months ended March 31, 2022, the Group applied "Accounting Standard for Fair Value Measurement" (ASBJ Statement No.30, July 4, 2019, hereinafter referred to as "Fair Value Measurement Accounting Standard") and others. In accordance with the transitional treatment provided for in paragraph 19 of the Fair Value Measurement Accounting Standard and paragraph 44-2 of "Accounting Standard for Financial Instruments" (ASBJ Statement No.10, July 4, 2019), the Group applied prospectively a new accounting policy prescribed by the Fair Value Measurement Accounting Standard and others. This application has no effect on the consolidated financial statements.

(Changes in Accounting Estimates)

(Change in estimates for asset retirement obligation)

Regarding domestic oil and gas production facilities and gas supply and marketing facilities, the Group has obligations to prevent mine pollution at abandoned well sites after the completion of the production under Mine Safety Act and restore sites to their original condition at the time of business termination in accordance with lease contracts.

Among these facilities, certain domestic oil and gas production facilities are operated complementarily and holistically in connection with the LNG terminal and it had been difficult to formulate reasonable long-term production plan considering the balance between the production and the inflow of LNG. The Group had planned to operate domestic gas supply and marketing facilities permanently as highly public infrastructures for energy supply and it had been impossible to determine the timing of decommission. For this reason, the Group had not recognized asset retirement obligation since the Group had not been able to estimate it reasonably until the end of the previous fiscal year.

For the three months ended 31 March, 2022, the Group reviewed the production and development plan considering the formulation and publishment of “Long-term Strategy and Medium-term Business Plan (INPEX Vision@2022)” in February 2022. As a result, it has been possible to determine reasonably the timing of decommission of domestic oil and gas production facilities and certain gas supply and marketing facilities that the Group had not recognized asset retirement obligation since it had been impossible to determine the timing of decommission, and the asset retirement obligation of ¥12,149 million has been recorded. Due to this change, operating income, ordinary income and income before income taxes decreased by ¥10,828 million respectively.

(Segment Information)

I. For the three months ended March 31, 2021 (January 1, 2021 through March 31, 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	31,494	67,579	22,555	116,657	5,411	243,697	—	243,697
Intercompany sales and transfers between segments	—	4,128	—	—	—	4,128	(4,128)	—
Total	31,494	71,707	22,555	116,657	5,411	247,825	(4,128)	243,697
Segment income (loss)	3,179	30,180	3,674	70,879	2,768	110,682	(4,627)	106,054

Note: 1. Adjustments of segment income (loss) of ¥(4,627) 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 (loss) is reconciled with operating income on the consolidated statement of income.

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

None

II. For the three months ended March 31, 2022 (January 1, 2022 through March 31, 2022)

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	54,698	123,059	87,102	213,384	7,144	485,391	—	485,391
Intercompany sales and transfers between segments	—	4,647	—	—	—	4,647	(4,647)	—
Total	54,698	127,707	87,102	213,384	7,144	490,038	(4,647)	485,391
Segment income (loss)	(10,604)	66,885	43,282	128,247	4,582	232,393	(4,078)	228,315

Note: 1. Adjustments of segment income (loss) of ¥(4,078) 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 (loss) 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

(Significant change in goodwill)

In “Eurasia (Europe & NIS)” segment, the Group included INPEX Norway Co., Ltd. and INPEX Idemitsu Norge AS in the scope of consolidation. As a result, goodwill in the segment increased by ¥16,204 million for the three months ended March 31, 2022.

The amount of goodwill is provisionally calculated as the allocation of acquisition cost has not been completed as of March 31, 2022.

3. Information on changes in reportable segments and others

(Application of Accounting Standard for Revenue Recognition and others)

As stated in the “Changes in Accounting Policy”, effective from the beginning of the three months ended March 31, 2022, the Group applied the Revenue Recognition Accounting Standard and others, and changed the method of accounting in connection with revenue recognition. Accordingly, the method of calculating net sales and income (loss) by reportable segment was also changed in the same manner. As a result, net sales for the three months ended March 31, 2022 in “Japan” segment decreased by ¥452 million compared with the previous method, and there was no effect on segment income (loss).

(Significant Subsequent Events)

None

3. Supplementary Information

(1) Production, Orders Received and Sales Performance

1) Actual production

The following table shows actual production by segment:

Segment	Category	For the three months ended March 31, 2021	For the three months ended March 31, 2022
Japan	Crude oil	0.3 MMbbls (3.2 Mbbls per day)	0.3 MMbbls (2.8 Mbbls per day)
	Natural gas	10.6 Bcf (118.2 MMcf per day)	9.6 Bcf (106.6 MMcf per day)
	Subtotal	2.3 MMboe (25.4 Mboe per day)	2.1 MMboe (22.9 Mboe per day)
	Iodine	142.5 tons	142.4 tons
	Electric power generation	56.1 million kWh	57.5 million kWh
Asia & Oceania	Crude oil	4.7 MMbbls (51.8 Mbbls per day)	4.5 MMbbls (49.8 Mbbls per day)
	Natural gas	98.1 Bcf (1,090.2 MMcf per day)	106.2 Bcf (1,179.8 MMcf per day)
	Subtotal	23.7 MMboe (262.8 Mboe per day)	25.0 MMboe (277.5 Mboe per day)
	Electric power generation	98.2 million kWh	94.3 million kWh
Eurasia (Europe & NIS)	Crude oil	4.6 MMbbls (51.3 Mbbls per day)	6.9 MMbbls (76.8 Mbbls per day)
	Natural gas	2.3 Bcf (25.8 MMcf per day)	4.9 Bcf (54.8 MMcf per day)
	Subtotal	5.0 MMboe (55.9 Mboe per day)	7.8 MMboe (86.7 Mboe per day)
	Sulfur	23.7 Mtons	28.8 Mtons
Middle East & Africa	Crude oil	19.2 MMbbls (213.2 Mbbls per day)	22.8 MMbbls (253.7 Mbbls per day)
Americas	Crude oil	0.6 MMbbls (7.2 Mbbls per day)	0.7 MMbbls (7.4 Mbbls per day)
	Natural gas	4.5 Bcf (50.4 MMcf per day)	0.7 Bcf (8.3 MMcf per day)
	Subtotal	1.5 MMboe (16.6 Mboe per day)	0.8 MMboe (9.1 Mboe per day)
Total	Crude oil	29.4 MMbbls (326.6 Mbbls per day)	35.1 MMbbls (390.4 Mbbls per day)
	Natural gas	115.6 Bcf (1,284.6 MMcf per day)	121.4 Bcf (1,349.4 MMcf per day)
	Subtotal	51.7 MMboe (574.0 Mboe per day)	58.5 MMboe (649.9 Mboe per day)
	Iodine	142.5 tons	142.4 tons
	Electric power generation	154.2 million kWh	151.8 million kWh
	Sulfur	23.7 Mtons	28.8 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 three months ended March 31 regardless of the fiscal year-ends of its subsidiaries or affiliates.

4. The production volume of crude oil and natural gas under the production sharing contracts entered into by the 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 31.6 MMbbls (350.9 Mbbls per day) of crude oil, 120.2 Bcf (1,335.9 MMcf per day) of natural gas, and in total 54.6 MMboe (607.1 Mboe per day) for the three months ended March 31, 2021, and 36.0 MMbbls (400.5 Mbbls per day) of crude oil, 124.2 Bcf (1,380.5 MMcf per day) of natural gas, and in total 59.9 MMboe (665.3 Mboe per day) for the three months ended March 31, 2022.

5. "Boe" means barrels of oil equivalent.

6. "Iodine" is refined by other company on consignment.

7. Figures are rounded to the first decimal place.

2) Orders received

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

3) Actual sales

The following table shows sales by segment:

(Millions of yen)

Segment	Category	For the three months ended March 31, 2021	For the three months ended March 31, 2022
		Net sales	Net sales
Japan	Crude oil	1,194	1,470
	Natural gas (excluding LPG)	25,712	47,684
	LPG	7	5
	Other	4,580	5,537
	Subtotal	31,494	54,698
Asia & Oceania	Crude oil	28,112	55,694
	Natural gas (excluding LPG)	38,498	66,280
	LPG	968	1,084
	Subtotal	67,579	123,059
Eurasia (Europe & NIS)	Crude oil	24,556	78,038
	Natural gas (excluding LPG)	(1,933)	8,629
	Other	(68)	434
	Subtotal	22,555	87,102
Middle East & Africa	Crude oil	116,657	213,384
Americas	Crude oil	3,969	6,900
	Natural gas (excluding LPG)	1,441	243
	Subtotal	5,411	7,144
Total	Crude oil	174,490	355,489
	Natural gas (excluding LPG)	63,719	122,838
	LPG	975	1,090
	Other	4,511	5,972
	Total	243,697	485,391