INPEX CORPORATION

Consolidated Financial Results for the year ended March 31, 2009

May 13, 2009

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

Company name	: **INPEX CORPORATION**	Stock Exchange on which the Company is listed	: Tokyo Stock Exchange
Code number	: 1605	URL http://www.inpex.co.jp/	
Representative	: Naoki Kuroda, President		
Contact person	: Kazuhiko Itano, General Manager, Corporate Communications Unit TEL+81-3-5572-0233		
Scheduled date of ordinary general meeting of shareholders	: June 25, 2009	Scheduled date of payment of cash dividends: June 26, 2009	
Scheduled date of filing Financial report	: June 26, 2009		

(Amounts less than one million yen are rounded off)

1. Consolidated Financial Results for the year ended March 31, 2009 (April 1, 2008-March 31, 2009)
 (1) Consolidated operating results

(The percentage expressions represent the changes from the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income	
For the year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2009	1,076,164	(10.5)	663,266	(7.1)	616,166	(10.2)	145,062	(16.3)
March 31, 2008	1,202,965	24.1	714,211	27.7	685,799	17.0	173,245	4.9

	Net income per share—basic	Net income per share—diluted	Net income as a percentage of net assets excluding minority interests	Ordinary income as a percentage of total assets	Operating income as a percentage of net sales
For the year ended	Yen	Yen	%	%	%
March 31, 2009	61,601.60	—	11.9	34.5	61.6
March 31, 2008	73,510.14	—	15.8	40.2	59.4

(Reference): Equity in earnings of affiliates: for the year ended March 31, 2009, ¥ 946 million
for the year ended March 31, 2008, ¥ 1,764 million

 (2) Consolidated financial position

	Total assets	Net assets	Net assets excluding minority interests as a percentage of total assets	Net assets excluding minority interests per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2009	1,768,044	1,362,060	71.9	540,100.10
As of March 31, 2008	1,807,900	1,238,812	64.0	491,168.09

(Reference): Net assets excluding minority interests: As of March 31, 2009, ¥ 1,271,122 million
As of March 31, 2008, ¥ 1,157,370 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 period
For the year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2009	230,352	(240,167)	(46,090)	162,844
March 31, 2008	363,994	(261,766)	(45,228)	222,269

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	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2008	—	3,500.00	—	4,000.00	7,500.00	17,673	10.2	1.6
March 31, 2009	—	4,000.00	—	4,000.00	8,000.00	18,834	13.0	1.6
For the year ending March 31, 2010 (estimated)	—	2,500.00	—	2,500.00	5,000.00		21.0	

3. Forecasted Consolidated Operating Results for the year ending March 31, 2010 (April 1, 2009-March 31, 2010)

(The percentage expressions represent the changes from the corresponding period of the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
For the six months ending September 30, 2009	—	—	—	—	—	—	—	—	—
For the year ending March 31, 2010	669,000	(37.8)	301,000	(54.6)	281,000	(54.4)	56,000	(61.4)	23,794.41

Note : Forecasted Consolidated Operating Results for the six months ending September 30, 2009 is undecided at this moment. We will announce it when it is available.

4. Others

(1) Significant changes in scope of consolidation : None

(2) Changes in accounting principles, procedures, presentations, etc., pertaining to preparation of consolidated financial statements (those to be stated as “Changes to the Basis of Presenting Consolidated Financial Statements”):

1. Changes due to changes in accounting standard : Yes
2. Other changes : None

[Refer to page 16 “Basis of Presenting Consolidated Financial Statements” and page 25 “Changes to the Basis of Presenting Consolidated Financial Statements” for details.]

(3) Number of shares issued (Common stock)

1. Number of shares issued at the end of the period (including treasury stocks): as of March 31, 2009; 2,358,410 shares
as of March 31, 2008; 2,358,410 shares
2. Number of treasury shares at the end of the period: as of March 31, 2009: 4,916 shares
as of March 31, 2008; 2,047 shares

Note: Since shareholder of the special class share is entitled to the same rights as that for shareholders of common stock regarding dividends and the distribution of residual property, the special class share is classified as common stock equivalent share.
Refer to page 36 “ Per share information” for the basis of calculation of consolidated net income per share.

(Reference) Non-Consolidated Financial Results

1. Financial results for the year ended March 31, 2009 (April 1, 2008-March 31, 2009)

(1) Operating results

(The percentage expressions represent the changes from the previous fiscal year)

	Operating revenues		Operating income		Ordinary income		Net income	
For the year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2009	163,502	788.9	89,389	472.1	78,623	399.6	323,672	—
March 31, 2008	18,394	(43.9)	15,624	(49.0)	15,738	(48.3)	15,576	(48.6)

	Net income per share—basic	Net income per share—diluted
For the year ended	Yen	Yen
March 31, 2009	137,449.27	—
March 31, 2008	6,609.38	—

(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 March 31, 2009	1,201,667	1,108,485	92.2	470,995.47
As of March 31, 2008	812,565	811,888	99.9	344,551.68

(Reference): Net assets: as of March 31, 2009, ¥ 1,108,485 million
as of March 31, 2008, ¥ 811,888 million

*Explanation regarding the appropriate use of estimated consolidated operating results and other affairs

(Affairs of Non-Consolidated Financial Results)

Non-consolidated financial results are based on the joint holding company's one from April 1 to September 30, 2008 and the operating company's one from October 1, 2008 to March 31, 2009, since the Company merged INPEX CORPORATION and Teikoku Oil Co., Ltd on October 1, 2008, switching to operating company from joint holding company.

The Company recorded a ¥266,950 million "Gain on extinguishment of tie-in shares " as Extraordinary income for the difference between the amount of shareholder's capital received by the Company as part of the net assets of the dissolved subsidiaries and the book value of its shares in these subsidiaries immediately prior to the merger, whereas it is not recorded in consolidated financial results as it has already been recorded prior to October 1, 2008.

(Explanation regarding the appropriate use of estimated consolidated operating results)

Forecasted Consolidated Operating Results for the six months ending September 30, 2009 is undecided at this moment, as the business environment is extremely uncertain due to wide fluctuations of oil prices and so on. The aforementioned forecasts of " 3. Forecasted Consolidated Operating Results for the year ending March 31, 2010" are based on currently available information and contain many uncertainties. The final results might be significantly different from the aforementioned forecasts due to change in business conditions including oil and gas price levels, production and sales plans, projects development schedules, government regulations and financial and tax schemes. Please refer to "3. Qualitative Information on Forecasted Consolidated Financial Results" on page 4 to 5.

1 Results of Operations and Financial Position

(1) Results for the year ended March 31, 2009

During this fiscal year, Japanese economy has shown falling of business earnings and severity of employment conditions and has significantly worsen, following the worldwide rapid business recession caused by the financial crisis having its roots in the subprime loan issue in the USA .

Under these business environment, global crude oil prices, an important factor that affects our group’s businesses, where WTI started US$100.98 per bbl, and continued to climb up by expansion of demand in emerging countries such as China and India, geopolitical risk in oil producing countries and influx of speculative money in the futures market, and recorded the highest price of US$147.27 per bbl. However, since then, the oil price turned downward by worldwide economy recession and resultant drop of crude oil demand, and the price dropped to below US$40 per bbl which is the lowest level in the last four and half years. After turn of the year, the price has fluctuated from US$30 to US$55 per bbl and closed at US$49.66 per bbl at the fiscal year end. Meanwhile, domestic crude oil and petroleum products prices followed a similar pattern of global price movements.

The foreign exchange market, an important factor that also affects our group’s businesses, began to trade at the 100 yen level for U.S. dollar. Credit crunch, which was caused by sub prime loan mortgage crisis in USA, cooled down temporary and worldwide expectation for credit squeeze policy owing mainly to rocketing index of commodity market, Japanese yen depreciated to 110 yen level for U.S. dollar in August. However, a pressure for depreciation of yen was gradually faded out due to sliding commodity market, revealing of recession in USA and other developed countries, and the most determinably, financial crisis triggered by crashes of major U.S. banks. In such market tone, yen appreciated for all currencies, owing to trend of aversion of risk assets and global phase of lower interest rate, the exchange rate touched lower level of 87 yen for U.S. dollar at one point. Afterwards, cooling down of aversion risk led rebound towards yen-depreciation and as a result, TTM closed at 98.26 yen for U.S. dollar which was 1.94 yen appreciation compared to the fiscal year end of March 31, 2008.

Consolidated net sales for the year ended March 31, 2009 decreased by ¥126,800 million, or 10.5%, to ¥1,076,164 million from the corresponding period of the previous fiscal year due to appreciation of Japanese yen against U.S. dollar and decrease in sales volume of crude oil, despite positive effect of increase in sales price and sales volume of crude oil and natural gas. Net sales of crude oil decreased by ¥133,112 million, or 17.0%, to ¥650,352 million, and net sales of natural gas increased by ¥7,176 million, or 1.8%, to ¥398,266 million. Sales volume of crude oil decreased by 10,288 Mbbls, or 12.0 %, to 75,427 Mbbls mainly due to decrease in production volume at ACG Oil Fields. Sales volume of natural gas decreased by 1,005 MMcf, or 0.3%, to 401,076 MMcf. Sales volume of natural gas produced overseas increased by 211 MMcf, or 0.1%, to 340,447 MMcf, and sales volume of natural gas produced domestically decreased by 33 MM ㎥, or 2.0%, to 1,625 MM ㎥ (60,629 MMcf). The average sales price of crude oil produced overseas increased by US$2.63 per bbl, or 3.3 %, to US$82.70 per bbl. Meanwhile, the average sales price of natural gas produced overseas increased by US$0.96 per Mcf, or 11.6%, to US$9.22 per Mcf, which is the more increase relative to crude oil. The more increase in the average sales price of natural gas produced overseas relative to crude oil was due to sales price of Bontang LNG in Indonesia which occupied most amount of natural gas produced overseas. This sales price is computed based on a-month-former price relative to crude oil, so that the average sales price of natural gas produced overseas was actually less influenced by the decrease in sales price of crude oil during the second half of the fiscal year.

In addition, the average sales price of natural gas produced domestically increased by ¥1.69, or 4.7%, to ¥37.39 per ㎥. The average exchange rate of Japanese yen on consolidated net sales appreciated by ¥10.76, or 9.5%, to ¥102.95 per U.S. dollar from the corresponding period of the previous fiscal year.

The decrease of ¥1,268 billion in net sales was derived mainly from the following factors: a decrease in sales volume affected ¥90.9 billion and an increase in unit sales price contributed ¥67.7 billion, appreciation of Japanese yen against U.S. dollar for sales adversely affected ¥102.7 billion, and net sales excluding crude oil and natural gas decreased by ¥0.8 billion.

Cost of sales for the year ended March 31, 2009 decreased by ¥71,516 million, or 18.3%, to ¥319,038 million mainly due to decrease in cost recovery at ACG Oil Fields. Exploration expenses decreased by ¥8,112 million, or 23.8%, to ¥25,982 million, and selling, general and administrative expenses increased by ¥3,773 million, or 5.9%, to ¥67,877 million. As a result, operating income decreased by ¥50,944 million, or 7.1%, to ¥663,266 million.

Other income decreased by ¥1,054 million, or 3.2 %, to ¥32,034 million due to absence of gain on redetermination of unitized field and gain on taking effect of exploration and production agreement which recorded in previous fiscal year, despite increase in dividend income. Other expenses increased by ¥17,633 million, or 28.7%, to ¥79,134 million mainly due to foreign exchange loss and increase in loss on valuation of investment securities. As a result, ordinary income decreased by ¥69,632 million, or 10.2%, to ¥616,166 million.

Total amount of current income taxes and deferred income taxes decreased by ¥20,970 million, or 4.3%, to ¥470,378 million. As a result of above effects, net income for the year ended March 31, 2009 decreased by ¥28,183 million, or 16.3%, to ¥145,062 million from the previous fiscal year.

Non-consolidated financial results are based on the joint holding company’s one from April 1 to September 30, 2008 and the operating company’s one from October 1, 2008 to March 31, 2009, since the Company merged INPEX CORPORATION and Teikoku Oil Co., Ltd on October 1, 2008, switching to operating company from joint holding company.

The Company recorded a ¥266,950 million "Gain on extinguishment of tie-in shares " as Extraordinary income for the difference between the amount of shareholder's capital received by the Company as part of the net assets of the dissolved subsidiaries and the book value of its shares in these subsidiaries immediately prior to the merger, whereas it is not recorded in consolidated financial results as it has already been recorded prior to October1, 2008.

With respect to segment information, the oil and natural gas business combined accounts for more than 90% of the aggregate sales, operating income and total assets of all segments. Therefore, the business segment information has been omitted.

On a next fiscal year outlook, consolidated net sales for the year ending March 31, 2010 are expected to be ¥669 billion, to decrease ¥407.1 billion (37.8%) compared with for the year ended March 31, 2009.

Operating income for the year ending March 31, 2010 are expected to be ¥301.0 billion to decrease ¥362.2 billion (54.6%)

compared with for the year ended March 31, 2009.

Ordinary income for the year ending March 31, 2010 are expected to be ¥281.0 billion, to decrease ¥335.1 billion (54.4%) compared with for the year ended March 31, 2009, and net income for the year ending March 31, 2010 are expected to be ¥56.0 billion, to decrease ¥89.0 billion (61.4%) compared with for the year ended March 31, 2009.

The reason both sales and income will decrease is mainly due to expecting the decrease in crude oil price and the rise in the exchange rate of the Japanese yen against the U.S. dollar compared with this fiscal year.

In these estimates, the crude oil price is assumed to be US$52.5 per barrel (for Brent crude) with the exchange rate of the Japanese yen against the U.S. dollar at ¥95 through the year ending March 31, 2009.

(2) Financial Position

Consolidated total assets as of March 31, 2009 decreased by ¥39,855 million to ¥1,768,044 million from ¥1,807,900 million as of March 31, 2008 due to decrease in current assets despite increase in fixed assets owing to recoverable accounts under production sharing and investment in tangible fixed assets. Current assets decreased by ¥154,000 million to ¥411,110 million due to decrease in cash and deposits, and accounts receivable-trade owing to depreciation of crude oil price. Fixed assets increased by ¥114,144 million to ¥1,356,934 million mainly due to increase in recoverable accounts under production sharing and tangible fixed assets.

Meanwhile, total liabilities decreased by ¥163,103 million to ¥405,984 million from ¥569,088 million as of March 31, 2008. Current liabilities decreased by ¥119,226 million to ¥206,059 million due to decrease in overseas income taxes payable and accounts payable-other. Long-term liabilities decreased by ¥43,877 million to ¥199,924 million due to decrease in long-term debt.

Net assets increased by ¥123,248 million, to ¥1,362,060 million. Total shareholders' equity increased by ¥123,167 million, to ¥1,288,062 million, total valuation, translation adjustment and others decreased by ¥9,415 million to ¥ (16,939) million and minority interests increased by ¥9,496 million to ¥90,938 million.

As for cash flows for the year ended March 31, 2009, net cash provided by operating activities decreased by ¥133,642 million to ¥230,352 million from the previous fiscal year due to decrease in income before income taxes and minority interests owing to appreciation of Japanese yen against U.S. dollar and decrease in sales volume of crude oil, and furthermore, due to increase in income taxes paid. Meanwhile, net cash used in investing activities decreased by ¥21,599 million to ¥240,167 million due to increase in proceeds from sales of marketable securities, despite increase in payments for purchase of tangible fixed assets. Net cash used in financial activities increased by ¥862 million to ¥46,090 million mainly due to repayments of long-term debt. After deducting ¥3,519 million of the effect of exchange rate changes on cash and cash equivalents, the decrease in cash and cash equivalents at the end of the year ended March 31, 2009 amounted to ¥59,425 million. Cash and cash equivalents at the end of the year ended March 31, 2009 totaled ¥162,844 million reflecting above net decrease of ¥59,425 million from ¥222,269 million at the end of the previous fiscal year.

(3) Dividend Policy and dividends for the year ended March 31, 2009 and for the year ending March 31, 2010

In order to secure a stable supply of petroleum and natural gas resources efficiently, INPEX CORPORATION Group aims to expand its operating base. To this end, we are reinforcing investments in exploration and development in Japan and overseas, as well as in maintenance and expansion of the supply infrastructure. The robust financial base of INPEX CORPORATION Group is crucial for maintaining this level of investment. Therefore, our basic policy is to maximize corporate value through ongoing maintenance and enlargement of our reserves and production of petroleum and natural gas by affirmative investments, while paying out cash dividends as direct compensation to shareholders, in light of the medium- to long-term prospects for INPEX CORPORATION Group.

We decided year-end dividend to be ¥4,000 per share for the year ended March 31, 2009 based on the policy above. With the mid-term dividend of ¥4,000 per share, thus total dividend for the year is to be ¥8,000 per share

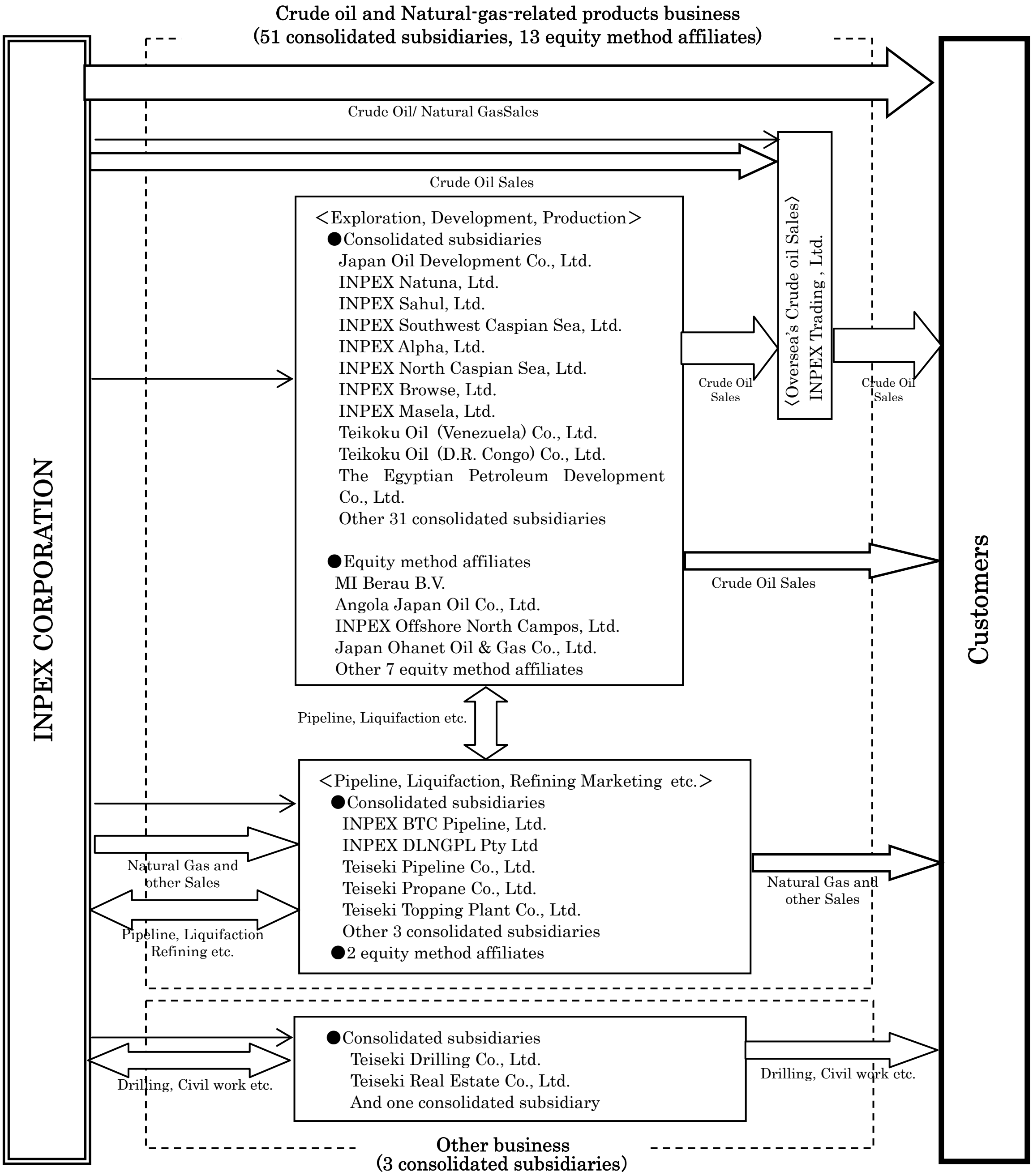
We plan a mid-term dividend to be ¥2,500 per share and a year-end dividend to be ¥2,500 per share for the year ending March 31, 2010, and thus a total dividend for the year is to be ¥5,000 per share, judging in a comprehensive manner based on the policy above under the circumstance that net sales and net income for the year ending March 31, 2010 are expected to be significantly decreased.

As to use of retained earnings, we plan to apply the earnings to investments for the purpose of maintenance and enlargement of our reserves and production of petroleum and natural gas.

2. Overview of the INPEX CORPORATION Group

The INPEX CORPORATION Group consists of INPEX CORPORATION, 64 subsidiaries (including 54 consolidated subsidiaries), 20 affiliates (including 13 equity method affiliates) and their two subsidiaries (as of March 31, 2009). The group primarily engages in the exploration, development, production and sales of crude oil and natural gas in Japan as well as in the Asia, Oceania, Middle East, the coastal states around the Caspian Sea and Latin America, Africa. In addition, we provide loans and investments to companies engaged in the aforementioned activities. Our business segments are crude oil and natural-gas-related products and other business.

The following diagram shows our group's business flow.



(注) 1 symbol "→" indicates capital investment (including indirect holdings)
2 symbol "⇒" indicates products and service flow

3. Management Policy

1. Management Strategy

On October 1, 2008, completing two and half years integration process, INPEX Holdings Inc. merged INPEX CORPORATION and Teikoku Oil Co., Ltd. and changed the company name from INPEX Holdings Inc. to INPEX CORPORATION. By the completion of integration process, we realized the full integration of headquarter functions and organization. INPEX CORPORATION will work on aggressively promoting exploration, development and production of petroleum and natural gas in the worldwide under the effective and flexible management organization and carrying out our social mission of energy supply in a stable and effective manner as well as realizing sustainable growth of our corporate value.

In pursuit of development of petroleum and natural gas which is the fundamental business of the Company, we seek to improve the productivity and profitability of our existing oil and gas fields in Japan and overseas. At the same time, we are working steadily and proactively to commercialize undeveloped oil and gas projects, especially our operator projects. Furthermore, to ensure sustainable growth from the medium to long-term perspective, we are leveraging to maximize our substantially strengthened ability to obtain upstream interests as a consequence of the business integration by building a more balanced asset portfolio, further strengthening our solid financial base, and mobilizing our practical operational and technical capabilities. By maintaining and increasing our reserves and production of petroleum and natural gas, we will endeavor to secure stable profits over the medium to long term and to achieve enhanced corporate value over time.

2. Medium-to Long Term Management Key Initiatives

The key management initiatives for the Company in developing petroleum and natural gas resources are achieving sustainable growth by maintaining and expanding reserves through reinvesting the cash flow obtained from existing oil and gas fields. By combining overseas projects that promise high growth potential due to expansion of reserves with domestic projects without the attendant country risk and foreign currency risk, we are seeking qualitative improvements in our asset portfolio. At the same time, by leveraging our business resources more effectively through an organic linkage of our overseas assets and domestic infrastructure, we aim to further enhance corporate value.

As our immediate business challenges, we will continue to move forward with exploration and development in new and existing projects such as the Masela Block (Abadi) gas project in Indonesia and the WA-285-P (Ichthys) gas and condensate project in Australia, the Abu Dhabi offshore oil fields in the UAE and Kashagan and ACG fields in the Caspian Sea. Domestically, we are working to increase the scale of our natural gas business permanently by optimal application from natural gas assets in overseas to domestic supply infrastructure including the planed LNG receiving terminal in the Naoetsu Port. Since we anticipate continuous substantial investment in order to achieve the growth strategy of the Company, we must take all possible measures to raise the capital required.

We will undertake operations according to the following policies in order to implement the business strategy of the Company.

(1) Achieve Well Balanced Asset Portfolio

① Regional Diversification

Through business integration, the operating area of the Company has diversified to include Asia, Oceania, the Middle East, the Caspian Sea, Central and South America, and Africa, besides Japan, and the regional balance of our asset portfolio has improved significantly. However, we recognize the need to reduce our dependence on specific regions from the viewpoint of country and operating risks, and we will continue to be proactive in considering investment in other new promising areas.

② Balance between Crude Oil and Gas

In terms of output by products, the share of crude oil is about 60% compared with about 40% for natural gas as a result of business integration.

Since crude oil is a commodity highly sensitive to various factors, the selling price fluctuates in the marketplace. On the other hand, the term of sales contract with customers are for a short period (one year), the required investment for production and transportation facilities is relatively small and the development period is comparatively short compared with the natural gas projects. Accordingly, profitability can be achieved comparatively soon after discovery in the case of oil fields.

Commercial production of natural gas requires substantial investments and a long lead time of preparation for constructing liquefaction plants and pipelines. Because the buyer also must make large investments in LNG receiving facilities, stable and long-term sales contracts are essential. With an assurance of long term LNG supply to the customers, profitability can be maintained.

Regarding a new project, we focus on a balance between crude oil and natural gas to ensure efficient investment with a view to long-term cash flow.

③ Balancing the Project Phases among Exploration, Development and Production

Because crude oil and gas reserves are limited, we continuously seek to acquire new reserves in order to ensure stable profitability. Therefore, we reinvest in exploration to discover new reserves while maintaining our cash flow from production. Projects must be carried out continuously in order to allocate and balance our assets among exploration, development and production stages. To achieve this balance, we invest in exploration and undeveloped oil and gas assets.

④ Enhance Activities and Capabilities as an Operator

In acting as an operator, we face managerial issues such as the difficulty in securing manpower and the heavy burden of financing. However, involvement as an operator also increases our opportunities to obtain new working interests by improving our technical capabilities and winning recognition from oil and gas producing countries and international oil campaniles. The Company is pursuing opportunities to act as operator with the substantially enhanced technical capabilities resulting from business integration, while addressing the effective utilization of management resources.

⑤ Balancing Contractual Arrangements

We intend to diversify the risk of oil price volatility by balancing contractual arrangements among production sharing contracts, or concession contracts, for which profit is linked to the price of oil, with service contracts, such as buyback or fixed margin contracts, for which profitability is less influenced by oil prices and amounts are fixed.

(2) Investments through Acquisition relative to the Expiration of Working Interests

The production sharing contract for the offshore Mahakam area, which is the Company's major gas production project, expires in 2017. Although we will negotiate to extend the contract, production is expected to decline in the long term as the remaining reserves decline even if the contract is renewed. We intend to maintain and increase production beyond 2017 by acquiring working interests from other companies or participating in new projects or taking over companies that have substantial production and stable cash flow.

(3) Enlarging the Company's Business Domain through Organic Linkage of Domestic and Foreign Assets

The Company aims to expand operations in the domestic natural gas market, which represents a stable base of earnings that is expected to grow. As well as building a natural gas pipeline network to supply the promising market in the Kanto-Koshinetsu region, we plan to expand production in the key Minami Nagaoka gas field. We also own promising undeveloped assets, primarily natural gas, in Indonesia and Australia, and to ensure their long-term growth, we will consider the possibilities of gas business integration that organically links these overseas gas assets with our domestic infrastructure, in aggressive pursuit of an enlarged business domain.

(4) Strengthening Relationships with Leading Domestic and International Oil and Gas Companies

Developing petroleum and gas involves considerable risks. Large-scale projects in particular require huge investments, presenting an insuperable obstacle for a single company. Typically, several companies form a consortium to share the risk, and this is the case internationally too. The Company plans to expand its business and diversify risk by increasing opportunities for participation in projects through enhanced cooperation with the major international oil companies, the national oil companies of oil and gas producing countries and leading private oil resource developers, trading companies and other energy-related companies.

(5) Promote an Efficient and Transparent Corporate Management

The Company bears the heavy responsibility of assuring a stable supply of energy to Japan in an efficient manner. Consequently, we recognize not only that our corporate social responsibility is increasing but also that it is essential that we exercise sensitivity in conducting business in communities in Japan and around the world. Therefore, we intend to manage our business efficiently and transparently in line with global standards.

(6) Environmental Efforts

Environmental issues, particularly global warming, are a matter of worldwide concern. We make every effort to minimize the effects on surrounding areas when we explore, develop, produce and sell energy resources. Also we are working to reduce our greenhouse gas emission reduction unit, reduce emissions of chemical substances, suppress emissions into the atmosphere and river systems, and to take measures to prevent soil pollution and reduce waste. Combustion of natural gas involves relatively small emissions of CO_2 and NO_x compared with combustion of other fossil fuels. Positioning natural gas as our core business, we intend to further promote the use of this clean fuel.

(7) Development of New Business

New technologies such as GTL (Gas to Liquids) and DME (Dimethyl Ether) are ones that produce a oil substitute form by reforming natural gas at a normal temperature, and these environmental benefits have attracted attention because the GTL and DME products contain almost no pollutants. As the Company has large reserves of natural gas, we are participating in R&D projects for GTL and DME. Introduction of these new technologies is considered in our plans to develop a new gas fields.

Our goal is to be corporation supplying variety of energy and we will work on new energy and renewable energy.

In order to supply energy in a stable and efficient manner and thereby contribute to the good of society, the Company aims to maintain and expand its reserves and production by rapidly achieving synergy through business integration between INPEX and Teikoku Oil. We will seek to allocate our business resources optimally and maintain the soundness of our financial position with a view to securing steady growth.

In addition, to fulfill our corporate social responsibility, we will strengthen corporate governance and compliance, and carry out strict safety management throughout our operations. Recognizing our obligation to protect the environment and to become an integral part of the communities where we operate, we aim to improve our corporate value over the long term.

4 Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

Accounts	As of March 31, 2008	As of March 31, 2009
(Assets)		
Current assets		
Cash and deposits	204,596	117,393
Accounts receivable-trade	120,948	73,540
Marketable securities	115,730	149,507
Inventories	19,716	*1 18,205
Deferred tax assets	11,236	6,144
Accounts receivable-other	83,436	37,871
Other	9,504	8,474
Allowance for doubtful accounts	(58)	(28)
Total current assets	565,110	411,110
Fixed assets		
Tangible fixed assets		
Buildings and structures, net	112,291	101,732
Wells, net	19,893	22,008
Machinery, equipment and vehicles, net	49,001	47,352
Land	28,386	20,752
Construction in progress	28,720	76,818
Other, net	16,187	28,971
Total tangible fixed assets	*1,3,4 254,481	*2,4,5,6 297,635
Intangible assets		
Goodwill	121,644	114,883
Exploration and development rights	120,176	115,566
Mining rights	18,843	18,592
Other	4,815	4,638
Total intangible assets	*4 265,480	*5 253,680
Investments and other assets		
Investment securities	*2,3 360,726	*3,4 344,698
Long-term loans receivable	9,361	14,195
Recoverable accounts under production sharing	383,162	453,922
Deferred tax assets	20,618	26,140
Other	*2 31,279	*3 65,926
Allowance for doubtful accounts	(911)	(528)
Allowance for recoverable accounts under production sharing	(71,445)	(87,828)
Allowance for investments in exploration	(9,963)	(10,907)
Total investments and other assets	722,827	805,618
Total fixed assets	1,242,789	1,356,934
Total assets	1,807,900	1,768,044

(Millions of yen)

Accounts	As of March 31, 2008	As of March 31, 2009
(Liabilities)		
Current liabilities		
Accounts payable-trade	22,582	11,873
Short-term loans	*3 19,274	*4 27,816
Income taxes payable	131,523	70,419
Accounts payable-other	*3 111,505	*4 65,440
Provision for exploration projects	10,786	7,948
Accrued bonuses to officers	208	134
Other	29,404	22,427
Total current liabilities	325,285	206,059
Long-term liabilities		
Long-term debt	*3 174,813	*4 136,430
Deferred tax liabilities	44,296	28,171
Accrued retirement benefits to employees	8,645	8,545
Accrued retirement benefits to officers	475	—
Liabilities for site restoration and decommissioning costs	12,728	14,192
Liabilities for losses on development activities	1,964	1,964
Accrued special repair and maintenance	229	404
Other	*3 649	*4 10,216
Total long-term liabilities	243,802	199,924
Total liabilities	569,088	405,984
(Net assets)		
Shareholders' equity		
Common stock	30,000	30,000
Capital surplus	418,493	418,477
Retained earnings	718,616	844,832
Treasury stock	(2,215)	(5,248)
Total shareholders' equity	1,164,894	1,288,062
Valuation, translation adjustments and others		
Unrealized holding loss on securities	(7,468)	(6,817)
Unrealized gain (loss) from hedging instruments	3	(0)
Translation adjustments	(60)	(10,121)
Total valuation, translation adjustments and others	(7,524)	(16,939)
Minority interests	81,442	90,938
Total net assets	1,238,812	1,362,060
Total liabilities and net assets	1,807,900	1768,044

(2) Consolidated Statements of Income

(Millions of yen)

Accounts	For the year ended March 31, 2008	For the year ended March 31, 2009
Net sales	1,202,965	1,076,164
Cost of sales	390,554	319,038
Gross profit	812,410	757,126
Exploration expenses		
Exploration expenses	34,457	25,982
Exploration subsidies	(362)	—
Total explolarion expenses	34,095	25,982
Selling, general and administrative expenses	*1,2 64,104	*1,2 67,877
Operating income	714,211	663,266
Other income		
Interest income	10,984	9,535
Dividend income	5,439	12,338
Equity in earnings of affiliates	1,764	946
Net gain on re-determination of unitized field	*3 4,005	—
Net gain on taking effect of exploration and production agreement	*4 3,481	—
Foreign exchange gain	2,747	—
Other	4,666	9,214
Total other income	33,089	32,034
Other expenses		
Interest expense	10,887	3,934
Provision for allowance for recoverable accounts under production sharing	20,586	16,642
Provision for exploration projects	3,104	3,386
Loss on valuation of investment securities	21,349	31,798
Foreign exchange loss	—	14,570
Other	5,572	8,801
Total other expenses	61,501	79,134
Ordinary income	685,799	616,166
Income before income taxes and minority interests	685,799	616,166
Income taxes-current	496,852	488,262
Income taxes-deferred	(5,502)	(17,883)
Total income taxes	491,349	470,378
Minority interests	21,204	725
Net income	173,245	145,062

(3) Consolidated Statements of Changes in Net Assets

(Millions of yen)

Accounts	For the year ended March 31, 2008	For the year ended March 31, 2009
Shareholders' equity		
Common stock		
Balance at beginning of the period	30,000	30,000
Balance at end of the period	30,000	30,000
Capital surplus		
Balance at beginning of the period	418,491	418,493
Changes during the period		
Disposal of treasury stock	2	(15)
Total changes during the period	2	(15)
Balance at end of the period	418,493	418,477
Retained earnings		
Balance at beginning of the period	570,120	718,616
Changes during the period		
Cash dividends paid	(24,749)	(18,846)
Net income	173,245	145,062
Total changes during the period	148,496	126,216
Balance at end of the period	718,616	844,832
Treasury stock		
Balance at beginning of the period	(1,108)	(2,215)
Changes during the period		
Purchase of treasury stock	(1,159)	(3,563)
Disposal of treasury stock	52	530
Total changes during the period	(1,106)	(3,032)
Balance at end of the period	(2,215)	(5,248)
Total shareholders' equity		
Balance at beginning of the period	1,017,503	1,164,894
Changes during the period		
Cash dividends paid	(24,749)	(18,846)
Net income	173,245	145,062
Purchase of treasury stock	(1,159)	(3,563)
Disposal of treasury stock	54	514
Total changes during the period	147,391	123,167
Balance at end of the period	1,164,894	1,288,062

(Millions of yen)

Accounts	For the year ended March 31, 2008	For the year ended March 31, 2009
Valuation, translation adjustments and others		
Unrealized holding gain (loss) on securities		
Balance at beginning of the period	9,348	(7,468)
Changes during the period		
Other changes in items other than those in shareholders’ equity (net)	(16,816)	650
Total changes during the period	(16,816)	650
Balance at end of the period	(7,468)	(6,817)
Unrealized gain (loss) from hedging instruments		
Balance at beginning of the period	17	3
Changes during the period		
Other changes in items other than those in shareholders’ equity (net)	(14)	(4)
Total changes during the period	(14)	(4)
Balance at end of the period	3	(0)
Translation adjustments		
Balance at beginning of the period	2,025	(60)
Changes during the period		
Other changes in items other than those in shareholders’ equity (net)	(2,085)	(10,061)
Total changes during the period	(2,085)	(10,061)
Balance at end of the period	(60)	(10,121)
Total valuation, translation adjustments and others		
Balance at beginning of the period	11,391	(7,524)
Changes during the period		
Other changes in items other than those in shareholders’ equity (net)	(18,915)	(9,415)
Total changes during the period	(18,915)	(9,415)
Balance at end of the period	(7,524)	(16,939)
Minority interests		
Balance at beginning of the period	51,121	81,442
Changes during the period		
Other changes in items other than those in shareholders’ equity (net)	30,320	9,496
Total changes during the period	30,320	9,496
Balance at end of the period	81,442	90,938
Total net assets		
Balance at beginning of the period	1,080,016	1,238,812
Changes during the period		
Cash dividends paid	(24,749)	(18,846)
Net income	173,245	145,062
Purchase of treasury stock	(1,159)	(3,563)
Disposal of treasury stock	54	514
Other changes in items other than those in shareholders’ equity (net)	11,404	80
Total changes during the period	158,796	123,248
Balance at end of the period	1,238,812	1,362,060

(4) Consolidated Statements of Cash Flows

(Millions of yen)

Accounts	For the year ended March 31, 2008	For the year ended March 31, 2009
Cash flows from operating activities		
Income before income taxes and minority interests	685,799	616,166
Depreciation and amortization	36,181	42,966
Amortization of goodwill	6,616	6,760
Provision for allowance for recoverable accounts under production sharing	21,206	20,310
Provision for exploration projects	3,937	(2,319)
Provision for accrued retirement benefits to employee	275	(96)
Provision for site restoration and decommissioning costs	815	1,597
Other provisions	(2,376)	3,468
Interest and dividend income	(16,423)	(21,873)
Interest expense	10,887	3,934
Foreign exchange loss	1,035	10,086
Equity in earnings of affiliates	(1,764)	(946)
(Gain) loss on the sales of investment securities	15	(81)
Loss on the valuation of investment securities	21,349	31,798
Recovery of recoverable accounts under production sharing (capital expenditures)	92,147	45,724
Recoverable accounts under production sharing (operating expenditures)	(26,052)	(27,020)
Accounts receivable-trade	(39,392)	44,199
Inventories	(2,274)	2,347
Accounts payable-trade	481	(9,824)
Accounts receivable-other	(16,985)	27,557
Accounts payable-other	21,809	(47,812)
Advances received	10,351	4,229
Other	7,156	(6,489)
Subtotal	814,795	744,683
Interest and dividends received	17,514	21,257
Interest paid	(11,507)	(4,800)
Income taxes paid	(456,806)	(530,789)
Net cash provided by operating activities	363,994	230,352

(Millions of yen)

Accounts	For the year ended March 31, 2008	For the year ended March 31, 2009
Cash flows from investing activities		
Increase in time deposits	(2,764)	(6,463)
Decrease in time deposits	18,996	4,497
Payments for purchases of tangible fixed assets	(59,465)	(88,611)
Proceeds from sales of tangible fixed assets	182	246
Payments for purchases of intangible assets	(2,012)	(2,864)
Payments for purchases of marketable securities	(39,948)	(19,082)
Proceeds from sales of marketable securities	51,494	111,451
Payments for purchases of investment securities	(112,378)	(137,447)
Proceeds from sales of investment securities	104	16,530
Investment in recoverable accounts under production sharing (capital expenditures)	(131,059)	(108,294)
Decrease in short-term loans receivable	10,534	70
Long-term loans made	(7,452)	(5,895)
Collection of long-term loans receivable	526	762
Payments for purchase of mining rights	(15,886)	—
Proceeds from transfer of mining rights	27,890	—
Other	(529)	(5,068)
Net cash used in investing activities	(261,766)	(240,167)
Cash flows from financing activities		
Increase (decrease) in short-term loans	(50)	20,933
Proceeds from long-term debt	40,784	12,040
Repayments of long-term debt	(67,745)	(66,364)
Proceeds from minority interests for additional shares	8,344	9,369
Purchase of treasury stock	(1,104)	(3,048)
Cash dividends paid	(24,718)	(18,833)
Dividends paid to minority shareholders	(737)	(81)
Stock transfer payment	(0)	—
Other	—	(106)
Net cash used in financing activities	(45,228)	(46,090)
Effect of exchange rate changes on cash and cash equivalents	(24,147)	(3,519)
Net increase (decrease) in cash and cash equivalents	32,853	(59,425)
Cash and cash equivalents at beginning of the period	189,416	222,269
Cash and cash equivalents at end of the period	*1 222,269	*1 162,844

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

None

(6) Basis of Presenting Consolidated Financial Statements

For the year ended March 31, 2008	For the year ended March 31, 2009
1.Scope of consolidation Number of consolidated subsidiaries: 60 Names of major subsidiaries; INPEX CORPORATION, Teikoku Oil Co., Ltd., Japan Oil Development Co., Ltd., INPEX Natuna, Ltd., INPEX Sahul, Ltd., Teikoku Oil D.R. Congo, Co., Ltd., INPEX Southwest Caspian Sea, Ltd., INPEX North Caspian Sea, Ltd., INPEX Browse, Ltd., INPEX Masela, Ltd. During this period: Number of new companies included in consolidated subsidiaries: 3 Number of companies excluded from consolidated subsidiaries: 3 Details for the above changes: (1) Teikoku Oil Suriname, Co., Ltd., Teikoku Oil Cabinda Co., Ltd., and INPEX UK Ltd. have been included due to establishment of the companies. (2) Teikoku Oil Company Panama, S.A., INPEX Offshore South Sulawesi, Ltd., and Teikoku Oil Venezuela, B.V. have been excluded due to completion of liquidation. Names of major unconsolidated subsidiaries: Sakata Natural Gas, Co., Ltd., Teikoku Oil de Burgos, S.A. de C. V. (Reason for exclusion from consolidation) Those companies are not consolidated because their total assets, total net sales, total net income (the equity portion) and total retained earnings (the equity portion) do not have significant impact on the consolidated financial statements.	1.Scope of consolidation Number of consolidated subsidiaries: 54 Names of major subsidiaries; Japan Oil Development Co., Ltd., INPEX Natuna, Ltd., INPEX Sahul, Ltd., Teikoku Oil D.R. Congo, Co., Ltd., INPEX Southwest Caspian Sea, Ltd., INPEX North Caspian Sea, Ltd., INPEX Browse, Ltd., INPEX Masela, Ltd. During this period: Number of new companies included in consolidated subsidiaries: 2 Number of companies excluded from consolidated subsidiaries: 8 Details for the above changes: (1) INPEX Petroleo Santos Ltda. and INPEX Seram,Ltd. have been included due to establishment of the companies. (2) INPEX CORPORATION and Teikoku Oil Co., Ltd. have been excluded due to merger. (3) TEIKOKU OIL SUEZ SEJ CO.,Ltd., Teikoku Oil Algeria Co,Ltd., Teikoku Gas Venezuela C. A., INPEX North Makassar, Ltd., INPEX North Natuna,Ltd., and Teikoku Oil SCT Exploration B.V. have been excluded due to completion of liquidation. Names of major unconsolidated subsidiaries: Sakata Natural Gas, Co., Ltd., Teikoku Oil de Burgos, S.A. de C. V., TELNITE CO.,LTD. (Reason for exclusion from consolidation) Same as on the left
2. Application of equity method Unconsolidated subsidiary accounted for by the equity method: None Number of affiliates accounted for by the equity method: 14 Names of major affiliates: MI Berau B.V., Angola Japan Oil Co., Ltd., Japan Ohanet Oil & Gas Co., Ltd., ALBACORA JAPAO PETROLEO LTDA, INPEX Offshore North Campos, Ltd.	2. Application of equity method Same as on the left Number of affiliates accounted for by the equity method: 13 Names of major affiliates: MI Berau B.V., Angola Japan Oil Co., Ltd., Japan Ohanet Oil & Gas Co., Ltd., ALBACORA JAPAO PETROLEO LTDA, INPEX Offshore North Campos, Ltd.

For the year ended March 31, 2008	For the year ended March 31, 2009
During this fiscal year: Number of new companies included in affiliates accounted for by the equity method: 1 Detail for the above change: MI Berau Japan Ltd. has been included due to subscription to capital.	During this fiscal year: Number of companies excluded from affiliates accounted for by the equity method: 1 Detail for the above change: BONTANG TRAIN-G PROJECT FINANCE CO., LTD. has been excluded due to completion of liquidation.
Names of major affiliates not accounted for by the equity method: Sakata Natural Gas, Co., Ltd., Teikoku Oil de Burgos, S.A. de C.V., Telnite Co., Ltd., Tangguh project management Co., Ltd. (Reason for not applying the equity method) Subsidiaries and affiliates are not accounted for by the equity method because their total net income (the equity portion) and total retained earnings (the equity portion) do not have significant impact on the consolidated financial statements. Procedures for application of the equity method: Regarding affiliates accounted for by the equity method having a different closing date from the consolidated closing date, the Company used the financial statements of each affiliate prepared as of their closing date. For certain affiliates, however, the Company used financial statements prepared for consolidation purposes as of the consolidated closing date.	Names of major affiliates not accounted for by the equity method: Sakata Natural Gas, Co., Ltd., Teikoku Oil de Burgos, S.A. de C.V., Telnite Co., Ltd., Tangguh project management Co., Ltd. (Reason for not applying the equity method) Same as on the left Procedures for application of the equity method: Same as on the left

For the year ended March 31, 2008	For the year ended March 31, 2009
3. Closing dates for the fiscal year of consolidated subsidiaries For the 40 companies for which the closing date differed from the consolidated closing date, including, but not limited to, INPEX Sahul, Ltd. and INPEX Masela, Ltd., the Company used the financial statements for the year ended December 31. However, the necessary adjustments have been made to the financial statements of those companies to reflect any significant transactions made between the Company's closing date and those of the consolidated subsidiaries. For the 10 companies including, but not limited, Japan Oil Development, Co., Ltd., Teikoku Oil D.R. Congo, Co., Ltd., INPEX Southwest Caspian Sea, Ltd., and INPEX North Caspian Sea, Ltd., we used financial statements for the year ended the consolidated closing date even though their closing date is December 31. (Additional information) Until the year ended March 31, 2007, INPEX Browse, Ltd. had been consolidated on the basis of fiscal period ended December 31, which differs from that of the Company. Effective the year ended March 31, 2008, its financial statements prepared for consolidation purpose as of the consolidation closing date has been used due to increase in its materiality. Accordingly, the consolidated operating results for the year ended March 31, 2008 included operating results for 15 months from January 1, 2007 to March 31, 2008. The effect of this change does not have a significant impact on the consolidated financial statements.	3. Closing dates for the fiscal year of consolidated subsidiaries For the 36 companies for which the closing date differed from the consolidated closing date, including, but not limited to, INPEX Sahul, Ltd. and INPEX Masela, Ltd., the Company used the financial statements for the year ended December 31. However, the necessary adjustments have been made to the financial statements of those companies to reflect any significant transactions made between the Company's closing date and those of the consolidated subsidiaries. For the 10 companies including, but not limited, Japan Oil Development, Co., Ltd., Teikoku Oil D.R. Congo, Co., Ltd., INPEX Southwest Caspian Sea, Ltd., and INPEX North Caspian Sea, Ltd., we used financial statements for the year ended the consolidated closing date even though their closing date is December 31.
4. Accounting policies 1) Valuation method for significant assets (a) Securities Other securities With a determinable market value Other securities with a determinable market value are stated at fair value with any changes in unrealized holding gain or loss, net of the applicable income taxes, included directly in net assets. Cost of securities sold is determined by the moving-average method. Without a determinable market value Other securities without a determinable market value are stated at cost determined by the moving-average method.	4. Accounting policies 1) Valuation method for significant assets (a) Securities Other securities With a determinable market value Same as on the left Without a determinable market value Same as on the left

For the year ended March 31, 2008	For the year ended March 31, 2009
(b) Inventories Products Carried mainly at the lower of cost or market, cost being determined by the moving-average method Supplies Carried mainly at cost, determined by the moving-average method Work in process Carried at cost, determined by the individual cost basis	(b) Inventories Overseas inventories Carried mainly at cost, determined by the average cost method (balance sheet value is carried at the lower of cost or market) Domestic inventories Carried mainly at cost, determined by the moving-average method (balance sheet value is carried at the lower of cost or market) (Change in accounting policy) Effective the fiscal year ended March 31, 2009, the Company applies "Accounting Standard for Measurement of Inventories" (ASBJ Statement No.9, issued on July 5, 2006). This does not have significant impact on the consolidated financial statements.
2) Depreciation method of significant depreciable assets (a) Tangible fixed assets Depreciation of mining facilities is mainly computed by the unit-of-production method. For other tangible fixed assets, straight-line method of depreciation is applied. Useful lives of significant fixed assets are as follows: Buildings and structures: 2-60 years Wells: 3 years Machinery, equipment and vehicles: 2-22 years (Changes in accounting policy) As for tangible fixed assets acquired on and after April 1, 2007, the Company and certain subsidiaries have changed the depreciation method based on an amendment in corporation tax law. This change does not have significant impact on the consolidated financial statements. (Additional information) As for other tangible fixed assets whose book value reached their residual value, the Company and certain subsidiaries depreciates the residual value equally over 5 years in accordance with the method prescribed in amendment in corporation tax law. This change does not have significant impact on the consolidated financial statements.	2) Depreciation method of significant depreciable assets (a) Tangible fixed assets (except leased assets) Depreciation of mining facilities is mainly computed by the unit-of-production method. For other tangible fixed assets, straight-line method of depreciation is applied. Useful lives of significant fixed assets are as follows: Buildings and structures: 2-60 years Wells: 3 years Machinery, equipment and vehicles: 2-22 years

For the year ended March 31, 2008	For the year ended March 31, 2009
(b) Intangible assets Exploration and development rights Exploration and development rights at the exploration stage are fully amortized in the consolidated fiscal year. Such rights which are at the production stage are amortized by the unit-of-production method. Mining rights Mining rights are mainly amortized by the unit-of-production method. Other Other intangible assets are mainly amortized by the straight-line method. Software for internal use is being amortized over five years.	(b) Intangible assets (except leased assets) Exploration and development rights Same as on the left Mining rights Same as on the left Other Same as on the left (c) Leased assets Leased assets for financing lease transactions whose ownership are not to be transferred: Depreciation of leased assets are calculated based on the straight-line method over the lease period assuming no residual value.
3) Basis for significant allowances (a) Allowance for doubtful accounts Allowance for doubtful accounts is provided at an amount determined based on the historical experience of bad debt with respect to ordinary receivables, plus an estimate of uncollectible amounts determined by reference to specific doubtful receivables from customers which are experiencing financial difficulties.	3) Basis for significant allowances (a) Allowance for doubtful accounts Same as on the left

For the year ended March 31, 2008	For the year ended March 31, 2009
b) Allowance for recoverable accounts under production sharing Allowance for recoverable accounts under production sharing is provided for probable losses on specific investments made under production sharing contracts. (c) Allowance for investments in exploration Allowance for investments in exploration is provided for future potential losses on investments in exploration companies at an estimated amount based on the net assets of the investees. (d) Provision for exploration projects Provision for exploration projects is provided for future expenditures of consolidated subsidiaries at exploration stage based on schedule of investments in exploration. (e) Accrued bonuses to officers Accrued bonuses to officers are provided at expected payment amount for the year ended March 31, 2008. (f) Accrued retirement benefits to employees Accrued retirement benefits to employees are provided at the amount calculated based on the expected retirement benefit obligation and the estimated value of pension plan assets at the end of this period. Because certain subsidiaries are classified as small enterprises, we employ a simplified method (at the amount which would be required to be paid if all active employees voluntarily terminated their employment as of the balance sheet date) for the calculation of the retirement benefit obligation of the subsidiaries. Actuarial gains and losses are charged or credited to income as incurred. (g) Accrued retirement benefits to officers Accrued retirement benefits to officers are stated at the amount which would be required to be paid as if all officers voluntarily terminated their services as of the balance sheet date based on their respective internal rules.	(b) Allowance for recoverable accounts under production sharing Same as on the left (c) Allowance for investments in exploration Same as on the left (d) Provision for exploration projects Same as on the left (e) Accrued bonuses to officers Accrued bonuses to officers are provided at expected payment amount for the year ended March 31, 2009. (f) Accrued retirement benefits to employees Same as on the left (g) Accrued retirement benefits to officers ――――――――――――― (Additional Information) Until the previous fiscal year, retirement benefits to officers had been accrued at the amount which would have been required to be paid as if all officers voluntarily terminated their services as of the balance sheet date based on their respective internal rules. However, in this fiscal year, the Company abolished its retirement benefit program to officers and makes a payment at their retirements, which is based on the amount to be paid at the point of abolishment. Accrued retirement benefits to officers up to point of abolishment are reversed and unpaid amounts is recorded in Other long-term liabilities.

For the year ended March 31, 2008	For the year ended March 31, 2009
(h) Liabilities for site restoration and decommissioning costs Liabilities for site restoration and decommissioning costs are provided for expected future costs for site restoration and decommissioning.	(h) Liabilities for site restoration and decommissioning costs Same as on the left
(i) Liabilities for losses on development activities Liabilities for losses on development activities are provided for provable losses on oil and natural gas development activities individually estimated for each project.	(i) Liabilities for losses on development activities Same as on the left
(j) Accrued special repair and maintenance Accrued special repair and maintenance are provided for planned major repair and maintenance activities on tanks in certain subsidiaries at the amount being accumulated through the next activity.	(j) Accrued special repair and maintenance Same as on the left

For the year ended March 31, 2008	For the year ended March 31, 2009
4) Translation of consolidated subsidiaries' significant assets and liabilities denominated in foreign currencies into yen in preparation of the consolidated financial statements Monetary assets and liabilities denominated in foreign currencies are translated into yen at the exchange rates prevailing at the balance sheet date. The resulting exchange gain or loss is credited or charged to income. The revenue and expense accounts of the overseas subsidiaries are translated into yen at the average rates of exchange during the period. The balance sheet accounts are translated into yen at the rates of exchange in effect at the balance sheet date. Translation differences are presented as a component of translation adjustments and minority interests.	4) Translation of consolidated subsidiaries' significant assets and liabilities denominated in foreign currencies into yen in preparation of the consolidated financial statements Same as on the left
5) Accounting for important leases Non-cancelable finance leases are primarily accounted for as operating leases except that lease agreements which stipulate the transfer of ownership of the leased assets to the lessee are accounted for as finance leases.	
6) Accounting for major hedge transactions (a) Hedge accounting Simplified accounting method is applied to interest rate swaps. For certain equity accounted companies, deferred hedge accounting is adopted. (b) Hedging instruments and hedged items Hedge instruments: Interest rate swap transactions Hedged items: Interest payments on borrowings (c) Hedging policy The nominal amount of the derivative transaction is limited to within the scope of actual demand, and the Company does not engage in speculative derivative transactions. (d) Hedge effectiveness assessment method Since simplified accounting method is applied, the Company does not perform hedge effectiveness assessment.	5) Accounting for major hedge transactions (a) Hedge accounting Same as on the left (b) Hedging instruments and hedged items Same as on the left (c) Hedging policy Same as on the left (d) Hedge effectiveness assessment method Same as on the left

For the year ended March 31, 2008	For the year ended March 31, 2009
7) Other items important to the preparation of the consolidated financial statements (a) Consumption tax Transactions subject to the consumption tax are recorded at amounts exclusive of the consumption tax. (b) Recoverable accounts under production sharing Cash investments made by the Company during exploration, development and production phases under a production sharing contract and a service contract (buyback arrangement) are recorded as “Recoverable accounts under production sharing” so long as they are recoverable under the terms of the relevant contract. When the Company receives the natural gas and crude oil in accordance with the contract, an amount corresponding to the purchase costs of the products (i.e., a cost recovery portion of the investments) is released from this account.	6) Other items important to the preparation of the consolidated financial statements (a) Consumption tax Same as on the left (b) Recoverable accounts under production sharing Same as on the left
5. Valuation of assets and liabilities of consolidated subsidiaries The assets and liabilities of consolidated subsidiaries are valued at their fair values. However, those whose valuation difference is not material are valued at their carrying amounts.	5. Valuation of assets and liabilities of consolidated subsidiaries Same as on the left
6. Amortization of Goodwill Goodwill is amortized using a straight-line method over 20 years.	6. Amortization of Goodwill Same as on the left
7. Scope of cash and cash equivalents in consolidated statement of cash flow Cash (cash and cash equivalents) in the consolidated statement of cash flow consisted of cash on hand, cash in banks which can be withdrawn on demand, and short-term investments with a maturity of three months or less when purchased which can easily be converted to cash and are subject to little risk of change in value.	7. Scope of cash and cash equivalents in consolidated statement of cash flow Same as on the left

(7) Changes to the Basis of Presenting Consolidated Financial Statements

For the year ended March 31, 2008	For the year ended March 31, 2009
―――――――――――――――――――――	(Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements) Effective the fiscal year ended March 31, 2009, the Company applies "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (ASBJ Practical Issues Task Force No.18, May 17, 2006). This does not have significant impact on the consolidated financial statements. (Accounting Standard for Lease Transactions) Effective the fiscal year ended March 31, 2009, the Company applies "Accounting Standard for Lease Transactions" (ASBJ Statement No.13, revised on March 30, 2007) and "Guidance on Accounting Standards for Lease Transactions" (ASBJ Guidance No.16, revised on March 30, 2007) for the lease transactions, entered into a contract on and after April 1, 2008, other than the lease transactions which deem to transfer ownership of the leased assets to the lessee. This does not have significant impact on the consolidated financial statements.

(Changes to the Presentation)

For the year ended March 31, 2008	For the year ended March 31, 2009
(Consolidated Balance Sheets) "Deferred tax assets", previously included in "Other" investments and other assets is separately presented because its amount exceeded 1% of total assets. The amount of "Deferred tax assets" as of March 31, 2007 is ¥2,405 million. (Consolidated Cash Flows) "Accounts receivable-other", "Accounts payable-other" and "Advances received" previously included in "Other" cash flows from operating activities are separately presented due to increase in their materiality. The amount of "Accounts receivable-other" is ¥(6,617) million, "Accounts payable-other" is ¥24,210 million and "Advances received" is ¥(2,650) million for the year ended March 31, 2007, respectively.	―――――――――――――――――――――

(8) Notes to consolidated financial statements
(Consolidated balance sheets)

As of March 31, 2008

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*1 Accumulated depreciation
Accumulated depreciation of tangible fixed assets is ¥447,121 million.

*2 The Company has the following investments in subsidiaries and affiliates:

Investment securities (equities) : ¥36,583 million
Other (investments and other assets) : ¥1,124 million

*3 Assets provided as collateral and collateral-backed debt are as follows:

(Collateralized Assets)		Millions of yen
Buildings and structures	2,446	(1,962)
Wells	3,166	(3,166)
Machinery, equipments and vehicles	10,058	(10,058)
Land	1,826	(660)
Others (tangible fixed assets)	0	(0)
Investment securities	6,512	(−)
Total	24,010	(15,848)

(Secured debt)		
Short-term loans	95	(−)
Accounts payable-other	3,723	(3,207)
Long-term debt	13,218	(12,411)
Others (long-term liabilities)	16	(−)
Total	17,054	(15,618)

Amounts in parenthesis () above represent foundation collateral and liabilities.
In addition, investment securities of ¥6,907 million are pledged as collateral for the BTC pipeline project financing.

*4 Accumulated advanced depreciation deducted from acquisition costs of fixed assets related to contribution and others was ¥1,374 million for building and structures, ¥291 million for machinery, equipment and vehicles, and ¥1 million for others (intangible assets).

As of March 31, 2009

*1 Major accounts included in inventories are as follows:

	Millions of yen
Merchandise and finished goods	10,703
Work in process	211
Raw materials and supplies	7,290

*2 Accumulated depreciation
Accumulated depreciation of tangible fixed assets is ¥475,999 million.

*3 The Company has the following investments in subsidiaries and affiliates:

Investment securities (equities) : ¥39,163 million
Other (investments and other assets) : ¥699 million

*4 Assets provided as collateral and collateral-backed debt are as follows:

(Collateralized Assets)		Millions of yen
Buildings and structures	2,614	(2,173)
Wells	6,919	(6,919)
Machinery, equipments and vehicles	9,390	(9,390)
Land	1,826	(660)
Others (tangible fixed assets)	0	(0)
Investment securities	7,860	(−)
Total	28,611	(19,143)

(Secured debt)		
Short-term loans	145	(−)
Accounts payable-other	5,264	(4,779)
Long-term debt	11,499	(10,297)
Others (long-term liabilities)	16	(−)
Total	16,925	(15,076)

Amounts in parenthesis () above represent foundation collateral and liabilities.
In addition, investment securities of ¥5,507 million are pledged as collateral for the BTC pipeline project financing.

*5 Accumulated advanced depreciation deducted from acquisition costs of fixed assets related to contribution and others was ¥1,374 million for building and structures, ¥291 million for machinery, equipment and vehicles, and ¥1 million for others (intangible assets).

*6 Accumulated advanced depreciation deducted from acquisition costs of tangible fixed assets related to application of land expropriation law was ¥4 million for land.

As of March 31, 2008	As of March 31, 2009
5 Contingent liabilities	7 Contingent liabilities

As of March 31, 2008

5 Contingent liabilities

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

	Millions of yen
Tangguh Trustee*	17,487
Sakhalin Oil and Gas Development Co., Ltd.	5,990
INPEX Offshore North Campos, Ltd.	1,780
Japan Ohanet Oil & Gas Co., Ltd.	897
Sakata Natural Gas Co., Ltd.	775
ALBACORA JAPAO PETROLEO LIMITADA	664
Nippon Oil Exploration (Malaysia) Limited.	553
Fujian Tranche *	397
Nippon Oil Exploration (Sarawak) Limited.	81
Employees (housing loans)	449
Total	29,077

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

In addition, INPEX BTC Pipeline, Ltd., a consolidated subsidiary, is contingently liable for next scheduled payment, which is ¥340 million as of the balance sheet date, as the guarantor of indebtedness of BTC Pipeline Project Finance under certain conditions.

As of March 31, 2009

7 Contingent liabilities

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

	Millions of yen
Tangguh Trustee*	18,076
Sakhalin Oil and Gas Development Co., Ltd.	4,626
Fujian Tranche *	4,041
INPEX Offshore North Campos, Ltd.	3,296
Sakata Natural Gas Co., Ltd.	537
Japan Ohanet Oil & Gas Co., Ltd.	290
Employees (housing loans)	365
Total	31,234

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

(Consolidated statements of income)

<table>
<tr><th>For the year ended March 31, 2008</th><th>For the year ended March 31, 2009</th></tr>
<tr><td>*1. Major accounts included in selling, general and administrative expenses are as follows:

Millions of yen
Personnel expenses 12,433
(Including provision for accrued retirement benefits to officers 216)
(Including provision for accrued retirement benefits to employees 650)
(Including provision for accrued bonuses to officers 208)
Freight expenses 15,041
Depreciation expenses 15,825
Amortization of goodwill 6,616

*2. Research and development expenses included in general and administrative expenses: ¥2,228 million

*3. Net gain on re-determination of unitized field
The Company re-determined reserves at a certain unitized field and agreed with other third parties to change the Companys' participating interest percentage retroactively. As a consequence, the Company recognizes its revenue and expenditure occurred in the past and records the net gain.

*4. Net gain on taking effect of exploration and production agreement
Upon taking effect of exploration and production agreement, the Company retroactively adjusts its revenue and expenditure occurred in the past and records the net gain.</td><td>*1. Major accounts included in selling, general and administrative expenses are as follows:

Millions of yen
Personnel expenses 13,582
(Including provision for accrued retirement benefits to officers 66)
(Including provision for accrued retirement benefits to employees 1,056)
(Including provision for accrued bonuses to officers 150)
Taxes 9,412
Freight expenses 6,590
Depreciation expenses 17,194
Amortization of goodwill 6,760

*2. Research and development expenses included in general and administrative expenses: ¥642 million

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</table>

(Consolidated statements of changes in net assets)

For the year ended March 31, 2008

1. Type and number of shares issued and outstanding and treasury stock (Shares)

	Balance as of March 31, 2007	Increase	Decrease	Balance as of March 31, 2008
Number of shares				
Common stock	2,358,409	—	—	2,358,409
Special class share	1	—	—	1
Total	2,358,410	—	—	2,358,410
Treasury stock				
Common stock	1,089	1,007	49	2,047
Total	1,089	1,007	49	2,047

Notes 1: Increase in treasury stock of common stock is due to purchase of 1,007 odd lot shares.
2: Decrease in treasury stock of common stock is due to sales of 49 odd lot 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)	Entitlement date	Effective date
Ordinary general meeting of shareholders held on June 26, 2007	Common stock	16,501	7,000	March 31, 2007	June 27, 2007
	Special class share	0	7,000	March 31, 2007	June 27, 2007
Board of directors' meeting held on November 9, 2007	Common stock	8,248	3,500	September 30, 2007	December 5, 2007
	Special class share	0	3,500	September 30, 2007	December 5, 2007

(2) Dividends, of which the entitlement date was in the year ended March 31, 2008, 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)	Entitlement date	Effective date
Ordinary general meeting of shareholders held on June 25, 2008	Common stock	Retained earnings	9,425	4,000	March 31, 2008	June 26, 2008
	Special class share	Retained earnings	0	4,000	March 31, 2008	June 26, 2008

For the year ended March 31, 2009

1. Type and number of shares issued and outstanding and treasury stock (Shares)

	Balance as of March 31, 2008	Increase	Decrease	Balance as of March 31, 2009
Number of shares				
Common stock	2,358,409	—	0	2,358,409
Special class share	1	—	—	1
Total	2,358,410	—	0	2,358,410
Treasury stock				
Common stock	2,047	3,340	471	4,916
Total	2,047	3,340	471	4,916

Notes 1: Decrease in common stock is due to extinguishment of fractional part in treasury stock in accordance with abolition of fractional share system.
2: Increased in treasury stock of common stock by 3,340 is due to purchase of odd lot shares and others.
3: Decrease in treasury stock of common stock is due to sales of 471 odd lot 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)	Entitlement date	Effective date
Ordinary general meeting of shareholders June 25, 2008	Common stock	9,425	4,000	March 31, 2008	June 26, 2008
	Special class share	0	4,000	March 31, 2008	June 26, 2008
Board of directors' meeting November 11, 2008	Common stock	9,420	4,000	September 30, 2008	December 19, 2008
	Special class share	0	4,000	September 30, 2008	December 19, 2008

(2) Dividends, of which the entitlement date was in the year ended March 31, 2009, 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)	Entitlement date	Effective date
Ordinary general meeting of shareholders June 25, 2009	Common stock	Retained earnings	9,413	4,000	March 31, 2009	June 26, 2009
	Special class share	Retained earnings	0	4,000	March 31, 2009	June 26, 2009

(Consolidated statements of cash flows)

For the year ended March 31, 2008	For the year ended March 31, 2009
*1 Cash and cash equivalents at the end of the period are reconciled to the account reported in the consolidated balance sheet as follows:	*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 March 31, 2008

	Millions of yen
Cash and deposits	204,596
Time deposits for more than three months and others	(592)
Marketable securities (commercial paper)	14,589
Marketable securities (MMF)	1,676
Marketable securities (certificate of deposit)	2,000
Cash and cash equivalents	222,269

For the year ended March 31, 2009

	Millions of yen
Cash and deposits	117,393
Time deposits for more than three months and others	(2,513)
Marketable securities (commercial paper)	38,994
Marketable securities (financial bill)	4,999
Marketable securities (MMF)	1,969
Marketable securities (certificate of deposit)	2,000
Cash and cash equivalents	162,844

(Business combination)

Business combination among entities under common control

1.Names of parties to the business combination, nature of business, legal form of the business combination, name of the combined entity and a summary of the transaction including its purpose

(1) Names of parties to the business combination and nature of business

a. INPEX Holdings Inc. (surviving company)

Management of subsidiaries and group companies engaged in surveys, exploration, development, production, and sales of oil, natural gas and other energy resources

b. INPEX CORPORATION (non-surviving company)

Exploration, development, production, sales of oil, natural gas and other energy resources and investment in such company

c.Teikoku Oil Co., Ltd. (non-surviving company)

Exploration, development, production, sales of oil and natural gas and investment in such company

(2) Legal form of the business combination

Absorption merger

(3) Name of the combined entity

INPEX CORPORATION

(4) Summary of the transaction including its purpose

INPEX Holdings Inc. was established as a joint holding company through stock transfer by INPEX CORPORATION and Teikoku Oil Co., Ltd. on April 3, 2006. The Company, INPEX Holdings Inc. as a surviving company, merged with INPEX CORPORATION and Teikoku Oil Co., Ltd. on October 1, 2008 to achieve more efficient and proactive management and changed trade name to INPEX CORPORATION.

2.Summary of accounting treatment

The transaction was treated as a business combination among entities under common control based on "Accounting Standard for Business Combinations" (issued by the Business Accounting Council on October 31, 2003) and "Accounting Standard for Business Combinations and Accounting Standard for Business Divestitur" (ASBJ Guidance No. 10, last revised on November 15, 2007).

(Segment information)

1. Business segment information

For the year ended March 31, 2008

Segment information by business has been omitted because the crude oil and natural gas business accounts for more than 90% of total sales, operating income and asset.

For the year ended March 31, 2009

Segment information by business has been omitted because the crude oil and natural gas business accounts for more than 90% of total sales, operating income and asset.

2. Geographical segment information

For the year ended March 31, 2008 (April 1, 2007 through March 31, 2008)

(Millions of yen)

	Japan	Asia - Oceania	Eurasia (Europe - NIS	Middle East - Africa	Americas	Total	Eliminations and other	Consolidated
I Net sales and operating income Net sales (1) Sales to third parties	93,882	452,542	183,878	464,522	8,139	1,202,965	—	1,202,965
(2) Intercompany sales and transfers between segments	—	—	—	—	—	—	—	—
Total	93,882	452,542	183,878	464,522	8,139	1,202,965	—	1,202,965
Operating expenses	61,950	165,836	97,842	140,492	16,101	482,223	6,530	488,754
Operating income (loss)	31,932	286,705	86,035	324,030	(7,961)	720,741	(6,530)	714,211
II Assets	212,305	360,298	363,183	299,563	60,656	1,296,006	511,893	1,807,900

Notes: 1. Countries and areas are segmented based on their geographic proximity and their mutual operational relationships.

2. Major countries and areas that belong to segments other than Japan are as follows:

(1) Asia - Oceania・・・・・・・・・・Indonesia, Australia, East Timor, Vietnam

(2) Eurasia (Europe - NIS)・・・Azerbaijan, Kazakhstan,UK

(3) Middle East - Africa・・・・・UAE, D.R. Congo, Iran, Libya, Egypt, Algeria, Angola

(4) Americas・・・・・・・・・・・・・・Venezuela, Ecuador, USA, Canada, Suriname

3. Unallocated operating expenses included in “Eliminations and other” of ¥10,345 million under the operating expenses are mainly amortization of goodwill and general administrative expenses.

4. Of the figure for assets, ¥515,849 million included in “Eliminations and other” are mainly goodwill, cash and deposit, marketable securities and investment securities concerned with the administrative divisions.

5. Change of classification of region

While the classification of region until the previous fiscal year had been “Japan”, “Asia - Oceania”, “NIS”, “Middle East - Africa” and “Americas”, the “NIS” was changed to “Eurasia (Europe - NIS)” due to acquisition of interest in UK project during the year ended March 31, 2008.

For the year ended March 31, 2009 (April 1, 2008 through March 31, 2009)

(Millions of yen)

	Japan	Asia - Oceania	Eurasia (Europe - NIS)	Middle East - Africa	Americas	Total	Eliminations and other	Consolidated
I Net sales and operating income Net sales (1) Sales to third parties	93,423	435,824	73,687	463,150	10,079	1,076,164	—	1,076,164
(2) Intercompany sales and transfers between segments	—	—	—	—	—	—	—	—
Total	93,423	435,824	73,687	463,150	10,079	1,076,164	—	1,076,164
Operating expenses	59,540	150,415	39,222	144,459	11,419	405,058	7,839	412,898
Operating income (loss)	33,882	285,408	34,464	318,691	(1,340)	671,106	(7,839)	663,266
II Assets	208,326	409,558	365,913	189,270	85,168	1,258,236	509,808	1,768,044

Notes: 1. Countries and areas are segmented based on their geographic proximity and their mutual operational relationships.

2. Major countries and areas that belong to segments other than Japan are as follows:

(1) Asia - Oceania・・・・・・・・・・Indonesia, Australia, East Timor, Vietnam

(2) Eurasia (Europe - NIS)・・・Azerbaijan, Kazakhstan, UK

(3) Middle East - Africa・・・・・UAE, D.R. Congo, Iran, Libya, Egypt, Algeria, Angola

(4) Americas・・・・・・・・・・・・・・Venezuela, Ecuador, USA, Canada, Suriname, Brazil

3. Unallocated operating expenses included in “Eliminations and other” of ¥11,129 million under the operating expenses are mainly amortization of goodwill and general administrative expenses.

4. Of the figure for assets, ¥513,129 million included in “Eliminations and other” are mainly goodwill, cash and deposit, marketable securities and investment securities concerned with the administrative divisions.

3. Overseas sales

For the year ended March 31, 2008

	Asia - Oceania	Other	Total
I. Overseas sales (Millions of yen)	381,146	84,470	465,617
II. Consolidated sales (Millions of yen)			1,202,965
III. Overseas sales as a percentage of consolidated sales (%)	31.7	7.0	38.7

Notes:
1. Countries and areas are segmented based on their geographic proximity.
2. Major countries and areas that belong to segments other than Japan are as follows:
   (1) Asia - Oceania・・・・・・・・South Korea, Taiwan, Indonesia, Singapore, Thailand, China, Philippines, Australia
   (2) Other・・・・・・・・・・・・・・・USA, Italy
3. Overseas sales consist of export sales of the Company and its domestic consolidated companies and sales (other than exports to Japan) of its foreign consolidated subsidiaries. Overseas sales are totaled up based on final destination.

For the year ended March 31, 2009

	Asia - Oceania	Other	Total
I. Overseas sales (Millions of yen)	371,102	46,280	417,383
II. Consolidated sales (Millions of yen)			1,076,164
III. Overseas sales as a percentage of consolidated sales (%)	34.5	4.3	38.8

Notes:
1. Countries and areas are segmented based on their geographic proximity.
2. Major countries and areas that belong to segments other than Japan are as follows:
   (1) Asia-Oceania・・・・・・・・・South Korea, Taiwan, Indonesia, Singapore, Thailand, China, Philippines, Australia
   (2) Other・・・・・・・・・・・・・・・USA
3. Overseas sales consist of export sales of the Company and its domestic consolidated companies and sales (other than exports to Japan) of its foreign consolidated subsidiaries. Overseas sales are totaled up based on final destination.

(Per share information)

For the year ended March 31, 2008		For the year ended March 31, 2009	
Net assets excluding minority interests per share	¥491,168.09	Net assets excluding minority interests per share	¥540,100.10
Net income per share	¥73,510.14	Net income per share	¥61,601.60

Notes: 1. Diluted net income per share is not presented because there are no dilutive potential of shares of common stock.
2. Net income per share is calculated based on the following:

	For the year ended March 31, 2008	For the year ended March 31, 2009
Net income (Millions of yen)	173,245	145,062
Amount not attributable to common stockholders (Millions of yen)	—	—
Net income attributable to common stockholders (Millions of yen)	173,245	145,062
Average number of shares (shares)	2,356,759	2,354,852
Common stock	2,356,758	2,354,851
Common stock equivalent share; Special class share	1	1

Note: Since a shareholder of the special class share is entitled to the same rights as that for shareholders of common stock regarding dividends and the distribution of residual property, the special class share is classified as common stock equivalent share.

(Significant subsequent events)

None

(Omissions of disclosure)

With respect to information for leases, related party transactions, tax accounting, securities, derivatives and retirement benefits plan respective disclosure has been omitted because it does not have significant impact on the consolidated financial statements.

5 Non-consolidated Financial Statements

(1) Non-consolidated balance sheets

(Millions of yen)

Accounts	As of March 31, 2008	As of March 31, 2009
(Assets)		
Current assets		
Cash and deposits	722	30,067
Accounts receivable-trade	—	19,875
Marketable securities	7,994	119,174
Finished goods	—	3,327
Work in process and partly-finished construction	—	79
Raw materials and supplies	—	2,512
Advance payments-trade	—	124
Prepaid expenses	136	230
Deferred tax assets	33	—
Short-term loans receivable to subsidiaries and affiliates	—	49,711
Accounts receivable-other	3,253	13,353
Other	3	5,499
Allowance for doubtful accounts	—	(48)
Total current assets	12,142	243,908
Fixed assets		
Tangible fixed assets		
Buildings, net	—	9,426
Structures, net	—	85,544
Wells, net	—	8,156
Machinery and equipment, net	—	22,827
Vehicles, net	—	22
Tools, furniture and fixtures, net	33	771
Land	—	15,140
Leased assets, net	—	207
Construction in progress	427	29,021
Total tangible fixed assets	461	171,117
Intangible assets		
Goodwill	—	118,200
Mining right	—	0
Software	1,499	2,888
Other	—	1,056
Total intangible assets	1,499	122,144
Investments and other assets		
Investment securities	2,999	212,190
Investments in stock of subsidiaries and affiliates	793,906	413,878
Investments in capital	—	0
Investments in capital of subsidiaries and affiliates	—	194
Long-term loans receivable	—	28
Long-term loans receivable from employees	—	56
Long-term loans receivable from subsidiaries and affiliates	—	43,473
Long-term prepaid expenses	—	17
Real estate for investment, net	—	12,202
Recoverable accouts under production sharing	—	136,795

(Millions of yen)

Accounts	As of March 31, 2008	As of March 31, 2009
Other	1,555	10,004
Allowance for doubtful accounts	—	(526)
Allowance for recoverable accounts under production sharing	—	(957)
Allowance for investments in exploration	—	(162,862)
Total investments and other assets	798,461	664,496
Total fixed assets	800,422	957,759
Total assets	812,565	1,201,667

(Millions of yen)

Accounts	As of March 31, 2008	As of March 31, 2009
(Liabilities)		
Current liabilities		
Accounts payable-trade	—	1,691
Current portion of long-term loans payable	—	4,210
Lease obligations	—	84
Accounts payable-other	203	21,338
Accrued expenses	42	2,101
Income taxes payable	44	26,730
Deferred tax liabilities	—	207
Advances received	—	131
Deposits payable	34	806
Accrued bonuses to officers	113	113
Other	—	84
Total current liabilities	439	57,498
Long-term liabilities		
Long-term loans payable	—	18,123
Lease obligations	—	121
Deferred tax liabilities	10	6,203
Accrued retirement benefits to employees	—	7,990
Accrued retirement benefits to officers	227	—
Liabilities for site restoration and decommissioning costs	—	228
Provision for loss on business of subsidiaries and affiliates	—	1,830
Other	—	1,184
Total long-term liabilities	237	35,683
Total liabilities	676	93,182
(Net assets)		
Shareholders’ equity		
Common stock	30,000	30,000
Capital surplus		
Capital reserve	762,992	762,992
Other capital surplus	2	—
Total capital surplus	762,994	762,992
Retained earnings		
Other retained earnings		
Mine prospecting reserve	—	4,112
Unappropriated retained earnings	21,092	321,793
Total retained earnings	21,092	325,905
Treasury stock	(2,215)	(5,248)
Total shareholders’ equity	811,872	1,113,649
Valuation, translation adjustments and others		
Unrealized holding gain on securities	16	(5,164)
Total valuation, translation adjustments and others	16	(5,164)
Total net assets	811,888	1,108,485
Total liabilities and net assets	812,565	1,201,667

(2) Non-consolidated statements of income

(Millions of yen)

Accounts	For the year ended March 31, 2008	For the year ended March 31, 2009
Operating revenues		
Net sales	—	151,451
Dividends income	15,624	9,433
Management consulting fee income	2,769	2,617
Total operating revenue	18,394	163,502
Cost of sales	—	50,021
Gross profit	18,394	113,481
Exploration expenses	—	1,467
Selling, general and administrative expenses	2,769	22,624
Operating income	15,624	89,389
Other income		
Interest income	24	1,585
Interest income-securities	73	1,115
Dividends income	—	28,559
Interest on refund of income taxes and other	17	—
Other	0	2,497
Total other income	115	33,758
Other expenses		
Interest expense	—	174
Provision of allowance for investments in exploration	—	4,816
Loss on valuation of investment securities	—	26,700
Foreign exchange losses	—	12,017
Commissions	1	—
Other	0	815
Total other expenses	1	44,524
Ordinary income	15,738	78,623
Extraordinary income		
Gain on extinguishment of tie-in shares	—	266,950
Total extraordinary income	—	266,950
Income before income taxes	15,738	345,574
Income taxes-current	169	36,479
Income taxes-deferred	(8)	(14,578)
Total income taxes	161	21,901
Net income	15,576	323,672

(3) Non-consolidated statements of changes in net assets

(Millions of yen)

Accounts	For the year ended March 31, 2008	For the year ended March 31, 2009
Shareholders' equity		
Common stock		
Balance at beginning of the period	30,000	30,000
Balance at end of the period	30,000	30,000
Capital surplus		
Legal capital surplus		
Balance at beginning of the period	762,992	762,992
Balance at end of the period	762,992	762,992
Other capital surplus		
Balance at beginning of the period	—	2
Changes during the period		
Disposal of treasury stock	2	(2)
Total changes during the period	2	(2)
Balance at end of the period	2	—
Total capital surplus		
Balance at beginning of the period	762,992	762,994
Changes during the period		
Disposal of treasury stock	2	(2)
Total changes during the period	2	(2)
Balance at end of the period	762,994	762,992
Retained earnings		
Other retained earnings		
Mine prospecting reserve		
Balance at beginning of the period	—	—
Changes during the period		
Provision of mine prospecting reserve	—	4,112
Total changes during the period	—	4,112
Balance at end of the period	—	4,112
Retained earnings brought forward		
Balance at beginning of the period	30,265	21,092
Changes during the period		
Provision of mine prospecting reserve	—	(4,112)
Dividends from surplus	(24,749)	(18,846)
Net income	15,576	323,672
Disposal of treasury stock	—	(13)
Total changes during the period	(9,173)	300,700
Balance at end of the period	21,092	321,793
Total retained earnings		
Balance at beginning of the period	30,265	21,092
Changes during the period		
Provision of mine prospecting reserve	—	—
Dividends from surplus	(24,749)	(18,846)
Net income	15,576	323,672
Disposal of treasury stock	—	(13)

Accounts	For the year ended March 31, 2008	For the year ended March 31, 2009
Total changes during the period	(9,173)	304,812
Balance at end of the period	21,092	325,905
Treasury stock		
Balance at beginning of the period	(1,108)	(2,215)
Changes during the period		
Purchase of treasury stock	(1,159)	(3,563)
Disposal of treasury stock	52	530
Total changes during the period	(1,106)	(3,032)
Balance at end of the period	(2,215)	(5,248)
Total shareholders' equity		
Balance at beginning of the period	822,149	811,872
Changes during the period		
Cash dividends paid	(24,749)	(18,846)
Net income	15,576	323,672
Purchase of treasury stock	(1,159)	(3,563)
Disposal of treasury stock	54	514
Total changes during the period	(10,277)	301,777
Balance at end of the period	811,872	1,113,649

(Millions of yen)

Accounts	For the year ended March 31, 2008	For the year ended March 31, 2009
Valuation, translation adjustments and others		
Unrealized holding gain (loss) on securities		
Balance at beginning of the period	4	16
Changes during the period		
Other changes in items other than those in shareholders' equity (net)	12	(5,181)
Total changes during the period	12	(5,181)
Balance at end of the period	16	(5,164)
Total valuation and translation adjustments		
Balance at beginning of the period	4	16
Changes during the period		
Other changes in items other than those in shareholders' equity (net)	12	(5,181)
Total changes during the period	12	(5,181)
Balance at end of the period	16	(5,164)
Total net assets		
Balance at beginning of the period	822,153	811,888
Changes during the period		
Cash dividends paid	(24,749)	(18,846)
Net income	15,576	323,672
Purchase of treasury stock	(1,159)	(3,563)
Disposal of treasury stock	54	514
Other changes in items other than those in shareholders' equity (net)	12	(5,181)
Total changes during the period	(10,265)	296,596
Balance at end of the period	811,888	1,108,485

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

None

(5) Notes to Non-Consolidated Financial Statements

(Business Combination)

This note is omitted since it is mentioned in consolidated section above.
Under the provisions of "Accounting Standard for Business Combination," the Company’s absorption merger of INPEX CORPORATION and Teikoku Oil Co., Ltd. was accounted for as a business combination among entities under common control. At March 31, 2009, the Company recorded a ¥266,950 million "Gain on extinguishment of tie-in shares" as Extraordinary income for the difference between the amount of shareholder's capital received by the Company as part of the net assets of the dissolved subsidiaries and the book value of its shares in these subsidiaries immediately prior to the merger.

6 Other

(1) Changes in directors and statutory auditors of the Company

Not applicable for the current fiscal year. Information will be disclosed promptly at the point of which disclose is required.

(2) Production, orders received and sales performance

1) Actual production

The following table shows actual production by business segment during each period:

Business segment	Category	For the year ended March 31, 2008	For the year ended March 31, 2009
Crude oil and natural gas	Crude oil	88 MMbbls (242 Mbbls per day)	81 MMbbls (223 Mbbls per day)
	Natural gas	398 Bcf (1,089 MMcf per day)	398 Bcf (1,090 MMcf per day)
	Subtotal	155 MMboe (423 Mboe per day)	148 MMboe (405 Mboe per day)
	Petroleum products	232 Mkl (1,458 Mbbls)	236 Mkl (1,484 Mbbls)
	Iodine	490 tons	496 tons
	Electric power generation	106 millions kWh	109 millions kWh

Notes:
1. The volume of LPG produced overseas is included in 'Crude oil.' On the other hand, the amount of LPG produced in the domestic refinery is included in 'Petroleum Products.'
2. A portion of crude oil production volume is consumed as material for petroleum products.
3. A portion of crude oil and natural gas production volume is consumed as fuel to generate electricity.
4. 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 year ended March 31 regardless of a closing date on the basis of fiscal periods of its subsidiaries or affiliates.
5. The production volume of crude oil and natural gas under the production sharing contracts entered by INPEX Group corresponds to the net economic take of our group.
   Figures calculated by multiplying the gross production volume by our company's interest share are 117 MMbbls (322 Mbbls per day) of crude oil, 702 Bcf (1,923 MMcf per day) of natural gas, and in total 234 MMboe (642 Mboe per day).
6. Boe means barrels of oil equivalent.
7. The volume of petroleum products is converted to bbl in parenthesis. Applied coefficient is 6.29 bbls per kl.
8. Iodine is refined on consignment by another company.
9. Figures are rounded to nearest whole number.

2) Orders received

This information is not disclosed since the amount of orders received accounted for a minor portion of total sales. In addition, there is no production for orders received in crude oil and natural gas business.

3) Actual sales

a) The Company takes back full amount of the allocated crude oil produced overseas under production sharing contracts and concession agreements, and sell it to domestic and foreign customers. The Company sells natural gas produced in Indonesia in the form of LNG to Japanese power companies, city gas companies and customers in South Korea, Taiwan and other countries through PERTAMINA. In addition, the Company sells natural gas produced in Japan to customers using our pipeline.

b) Sales by business segment during each period were as follows:

(Millions of yen)

Business segment	Category	For the year ended March 31, 2008		For the year ended March 31, 2009	
Crude oil and natural gas	Crude Oil	85,716 Mbbls	783,465	75,427 Mbbls	650,352
	Natural Gas	402,081 MMcf	391,090	401,076 MMcf	398,266
		LPG: 1,549 Mbbls		LPG: 2,067 Mbbls	
	Others	26,479		25,693	
	Subtotal	1,201,035		1,074,312	
Other		1,929		1,852	
Total		1,202,965		1,076,164	

Notes: 1. The above amounts do not include the related consumption tax.
2. The Companys' subsidiaries of which closing date for fiscal year is December 31 are principally consolidated their operating results for the year ended December 31 except those subsidiaries prepared their financial statement for consolidation purpose as of the consolidation closing date. However, the significant effects of the difference in fiscal periods were properly adjusted in consolidation.
3. Sales volumes are rounded to nearest whole number.
4. Sales for major customers and sales as a percentage of total net sales are as follows. Sales amount of PERTAMINA consists mostly of natural gas and over half of them are sold to Japanese customers in the form of LNG.

Customer	For the year ended March 31, 2008		For the year ended March 31, 2009	
	Amount (Millions of yen)	Ratio (%)	Amount (Millions of yen)	Ratio (%)
PERTAMINA	309,750	25.7	315,889	29.4