



Consolidated Financial Results for the Nine Months ended September 30, 2023 [Japanese GAAP]

November 9, 2023

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

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Scheduled date of payment of cash dividends : –
Preparation of supplementary explanatory materials : Yes
Meeting of quarterly financial results presentation : None

(Amounts less than one million yen are rounded off)

1. Consolidated Financial Results for the Nine Months ended September 30, 2023 (January 1, 2023 - September 30, 2023)

(1) Consolidated operating results

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

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
For the nine months ended September 30, 2023	1,601,835	(5.7)	839,372	(8.4)	995,652	(3.1)	280,392	5.1
September 30, 2022	1,698,743	–	915,892	–	1,027,783	–	266,661	–

(Note): Consolidated comprehensive income: for the nine months ended September 30, 2023, ¥678,891 million; [(28.9)%]
for the nine months ended September 30, 2022, ¥954,629 million; [–%]

	Net income per share-basic	Net income per share-diluted
For the nine months ended September 30, 2023	Yen 215.15	Yen –
September 30, 2022	193.10	–

(Note): The figures for the nine months ended September 30, 2022 were adjusted retrospectively according to the changes in accounting policies, and the figures after retrospective application are presented. The changes from the corresponding period of the previous fiscal year are not shown.

(2) Consolidated financial position

	Total assets	Net assets	Net assets excluding non-controlling interests as a percentage of total assets
	Millions of Yen	Millions of Yen	%
As of September 30, 2023	6,971,337	4,584,078	61.9
As of December 31, 2022	6,259,853	4,022,370	60.1

(Reference): Net assets excluding non-controlling interests: as of September 30, 2023, ¥4,317,881 million
as of December 31, 2022, ¥3,760,852 million

(Note): The figures as of December 31, 2022 were adjusted retrospectively according to the changes in accounting policies, and the figures after retrospective application are presented.

2. Dividends

	Cash dividends per share				
	At 1st quarter end	At 2nd quarter end	At 3rd quarter end	At fiscal year end	Total
	Yen	Yen	Yen	Yen	Yen
For the year ended December 31, 2022	—	30.00	—	32.00	62.00
For the year ending December 31, 2023	—	37.00	—		
For the year ending December 31, 2023 (forecast)				37.00	74.00

(Notes): 1. Changes in projected dividends for the year ending December 31, 2023 from the previous forecast: None

2. “Dividends” as stated above refer to common stock. For information regarding Class A stock (not listed), please refer to Exhibit “Dividends of Class A stock.”

3. Forecasts for Consolidated Financial Results for the year ending December 31, 2023 (January 1, 2023 - December 31, 2023)

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

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Net income per share
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
For the year ending December 31, 2023	2,155,000	(7.3)	1,107,000	(11.2)	1,291,000	(10.5)	340,000	(26.3)	262.51

(Notes): 1. Changes in forecasts for consolidated financial results for the year ending December 31, 2023 from the previous forecast: Yes

2. The changes from the previous fiscal year were adjusted retrospectively according to the changes in accounting policies, and the changes presented are for the comparison with the figures for the previous fiscal year after retrospective application.

Notes

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

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

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

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

(Note): Please refer to “2. Consolidated Financial Statements and Principal Notes (3) Notes to Consolidated Financial Statements (Changes in Accounting Policies)” on page 8 for further information.

(4) Number of shares issued (Common stock)

1. Number of shares issued at the end of the period (including treasury stock): 1,386,667,167 shares as of September 30, 2023
1,386,667,167 shares as of December 31, 2022
2. Number of treasury stock at the end of the period: 98,471,173 shares as of September 30, 2023
80,672,863 shares as of December 31, 2022
3. Average number of shares: 1,303,261,977 shares for the nine months ended September 30, 2023
1,380,953,337 shares for the nine months ended September 30, 2022

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

(As of September 30, 2023: 892,173 shares As of December 31, 2022: 910,363 shares)

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

*Explanation regarding the appropriate use of estimated consolidated financial results

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

Exhibit:

Dividends of Class A stock

	Cash dividends per share				
	At 1st quarter end	At 2nd quarter end	At 3rd quarter end	At fiscal year end	Total
	Yen	Yen	Yen	Yen	Yen
For the year ended December 31, 2022	–	12,000.00	–	12,800.00	24,800.00
For the year ending December 31, 2023	–	14,800.00	–		
For the year ending December 31, 2023 (forecast)				14,800.00	29,600.00

(Note): The Company conducted a stock split at a ratio of 1:400 of common stock effective October 1, 2013. However, for Class A stock (not listed), no stock split was implemented. The article specifying that dividends of Class A stock are equivalent to dividends of common stock prior to the stock split is included in the Articles of Incorporation.

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1. Qualitative Information/Financial Statements

The changes in accounting policies have been made from the first quarter ended March 31, 2023, and the figures after retrospective application are used in the comparative analysis with the nine months ended September 30, 2022 and the year ended December 31, 2022. Please refer to “2. Consolidated Financial Statements and Principal Notes (3) Notes to Consolidated Financial Statements (Changes in Accounting Policies)” for further information.

In addition, the change in reportable segments has been made from the first quarter ended March 31, 2023, and the figures reflect the revision of the method of calculation for a portion of the sales volume and average sales price in the comparative analysis with the nine months ended September 30, 2022.

(1) Explanation on Consolidated Financial Results

Net sales for the nine months ended September 30, 2023 decreased by ¥96.9 billion, or 5.7%, to ¥1,601.8 billion from the corresponding period of the previous fiscal year due to a decrease in sales price of crude oil. Net sales of crude oil decreased by ¥150.9 billion, or 11.4%, to ¥1,167.4 billion, and net sales of natural gas increased by ¥54.1 billion, or 14.8%, to ¥419.2 billion. Sales volume of crude oil increased by 1,807 thousand barrels, or 1.8%, to 104,728 thousand barrels, and sales volume of natural gas increased by 40,423 million cf, or 12.5%, to 362,722 million cf. Sales volume of overseas natural gas increased by 39,918 million cf, or 15.9%, to 290,811 million cf, and sales volume of domestic natural gas increased by 14 million m³, or 0.7%, to 1,920 million m³ (71,654 million cf). The average sales price of overseas crude oil decreased by US\$19.16, or 19.2%, to US\$80.67 per barrel. The average sales price of overseas natural gas decreased by US\$0.99, or 14.7%, to US\$5.76 per thousand cf, and the average sales price of domestic natural gas increased by ¥18.81, or 25.0%, to ¥93.96 per m³. The average exchange rate of the Japanese yen against the U.S. dollar on consolidated net sales depreciated by ¥9.79, or 7.6%, to ¥138.12 per U.S. dollar.

The decrease of ¥96.9 billion in net sales was mainly derived from the following factors: regarding net sales of crude oil and natural gas, an increase in sales volume contributing ¥63.0 billion to the increase, a decrease in unit sales price pushing sales down of ¥262.5 billion, the depreciation in the average exchange rate of the Japanese yen against the U.S. dollar contributing ¥102.7 billion to the increase, and a decrease in net sales excluding crude oil and natural gas of ¥0.1 billion.

Meanwhile, cost of sales decreased by ¥26.8 billion, or 3.9%, to ¥654.5 billion. Exploration expenses increased by ¥0.8 billion, or 3.5%, to ¥23.9 billion. Selling, general and administrative expenses increased by ¥5.6 billion, or 7.2%, to ¥83.9 billion. As a result, operating income decreased by ¥76.5 billion, or 8.4%, to ¥839.3 billion.

Other income decreased by ¥3.2 billion, or 1.4%, to ¥221.7 billion. Other expenses decreased by ¥47.6 billion, or 42.1%, to ¥65.4 billion mainly due to the absence of the modification loss on financial assets and others. As a result, ordinary income decreased by ¥32.1 billion, or 3.1%, to ¥995.6 billion.

Extraordinary loss was ¥75.6 billion as a result of posting impairment loss for a certain project due to changes in the external environment, including a tightening of environmental regulations in Australia, and others. Income taxes decreased by ¥106.3 billion, or 14.1%, to ¥645.3 billion, and net loss attributable to non-controlling interests was ¥5.8 billion. As a result of the above effects, net income attributable to owners of parent increased by ¥13.7 billion, or 5.1%, to ¥280.3 billion.

Financial results by segment are as follows:

The changes in segment income and reportable segments have been made from the first quarter ended March 31, 2023, and the figures based on the changed segment income and reportable segments are used in the comparative analysis with the nine months ended September 30, 2022. Please refer to “2. Consolidated Financial Statements and Principal Notes (3) Notes to Consolidated Financial Statements (Segment Information and Others)” for further information.

1) Oil & Gas Japan

Net sales increased by ¥34.6 billion, or 22.3%, to ¥189.5 billion due to an increase in sales price of natural gas. Net income attributable to owners of parent increased by ¥17.7 billion, or 109.0%, to ¥34.0 billion.

2) Oil & Gas Overseas - Ichthys Project

Net sales increased by ¥20.3 billion, or 8.0%, to ¥273.6 billion due to an increase in sales volume. Net income attributable to owners of parent increased by ¥72.8 billion, or 46.5%, to ¥229.6 billion mainly due to the absence of modification loss on financial assets and others.

3) Oil & Gas Overseas - Other Projects

Net sales decreased by ¥158.0 billion, or 12.4%, to ¥1,119.1 billion due to a decrease in sales price of crude oil. Net income attributable to owners of parent decreased by ¥75.4 billion, or 72.2%, to ¥28.9 billion mainly due to an increase in impairment loss.

(2) Explanation on Consolidated Financial Position

Total assets as of September 30, 2023 increased by ¥711.4 billion to ¥6,971.3 billion from ¥6,259.8 billion as of December 31, 2022. Current assets increased by ¥237.4 billion to ¥966.8 billion due to an increase in securities and others. Fixed assets increased by ¥474.0 billion to ¥6,004.5 billion due to increases in tangible fixed assets, investments and other assets, and others. Meanwhile, total liabilities increased by ¥149.7 billion to ¥2,387.2 billion from ¥2,237.4 billion as of December 31, 2022. Current liabilities increased by ¥297.3 billion to ¥824.1 billion, and long-term liabilities decreased by ¥147.5 billion to ¥1,563.1 billion. Net assets increased by ¥561.7 billion to ¥4,584.0 billion. Total shareholders' equity increased by ¥161.8 billion to ¥3,070.1 billion. Total accumulated other comprehensive income increased by ¥395.1 billion to ¥1,247.7 billion and non-controlling interests in net assets increased by ¥4.6 billion to ¥266.1 billion.

(3) Explanation Regarding Future Forecast Information Such as Forecasts for Consolidated Financial Results

The Company revised the consolidated financial forecasts for the year ending December 31, 2023 as follows from the forecasts that were announced on August 9, 2023 as a result of revising the assumed conditions for crude oil prices and exchange rate to adjust for the trend of rising crude oil prices and weakening yen, and other factors.

Forecasts for consolidated financial results for the year ending December 31, 2023

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent
Previous Forecasts: A	2,031,000	1,009,000	1,151,000	320,000
Revised Forecasts: B	2,155,000	1,107,000	1,291,000	340,000
Increase (Decrease): B-A	124,000	98,000	140,000	20,000
Percentage change (%)	6.1	9.7	12.2	6.3

The above forecasts are calculated based on the following assumptions:

	Previous Forecasts		Revised Forecasts	
Crude oil price (Brent)	First Half average (actual):	US\$79.9/bbl	First Half average (actual):	US\$79.9/bbl
	Second Half average:	US\$80.1/bbl	Second Half average:	US\$85.5/bbl
	- 3rd quarter average:	US\$80.0/bbl	- 3rd quarter average (actual):	US\$85.9/bbl
	- 4th quarter average:	US\$80.2/bbl	- 4th quarter average:	US\$85.0/bbl
	Full Year average:	US\$80.0/bbl	Full Year average:	US\$82.7/bbl
Exchange rate	First Half average (actual):	¥135.0/US\$	First Half average (actual):	¥135.0/US\$
	Second Half average:	¥135.0/US\$	Second Half average:	¥142.3/US\$
	Full Year average:	¥135.0/US\$	Full Year average:	¥138.6/US\$

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

2. Consolidated Financial Statements and Principal Notes

(1) Consolidated Balance Sheet

(Millions of yen)

Accounts	As of December 31, 2022	As of September 30, 2023
(Assets)		
Current assets		
Cash and deposits	227,829	177,993
Accounts receivable-trade and contract assets	252,938	219,762
Securities	58,152	290,663
Inventories	68,154	75,160
Other	135,346	217,900
Less allowance for doubtful accounts	(13,020)	(14,677)
Total current assets	729,401	966,803
Fixed assets		
Tangible fixed assets		
Buildings and structures, net	157,137	155,312
Wells, net	340,259	314,455
Machinery, equipment and vehicles, net	1,583,141	1,612,861
Land	18,178	18,438
Construction in progress	339,787	438,097
Other, net	34,615	29,455
Total tangible fixed assets	2,473,118	2,568,619
Intangible assets		
Goodwill	40,332	34,295
Other	442,371	428,595
Total intangible assets	482,704	462,890
Investments and other assets		
Investment securities	742,914	954,936
Long-term loans receivable	1,279,383	1,441,967
Recoverable accounts under production sharing	521,541	493,057
Other	87,205	142,022
Less allowance for doubtful accounts	(690)	(771)
Less allowance for recoverable accounts under production sharing	(53,873)	(55,787)
Less allowance for investments in exploration	(1,852)	(2,401)
Total investments and other assets	2,574,629	2,973,023
Total fixed assets	5,530,452	6,004,533
Total assets	6,259,853	6,971,337

(Millions of yen)

Accounts	As of December 31, 2022	As of September 30, 2023
(Liabilities)		
Current liabilities		
Accounts payable-trade	47,183	28,933
Short-term loans	75,878	189,151
Commercial papers	–	172,000
Income taxes payable	126,675	141,167
Provision for bonuses	1,458	–
Provision for bonuses to officers	130	90
Provision for loss on business	8,631	11,783
Provision for exploration projects	3,391	7,418
Asset retirement obligations	15,504	15,644
Other	247,887	257,913
Total current liabilities	526,740	824,102
Long-term liabilities		
Bonds payable	30,000	30,000
Long-term debt	1,164,369	934,512
Provision for stocks payment	245	394
Provision for special repair and maintenance	705	716
Liability for retirement benefits	689	2,171
Asset retirement obligations	303,159	314,936
Other	211,572	280,425
Total long-term liabilities	1,710,742	1,563,156
Total liabilities	2,237,483	2,387,258
(Net assets)		
Shareholders' equity		
Common stock	290,809	290,809
Capital surplus	683,382	684,043
Retained earnings	2,055,459	2,253,868
Treasury stock	(121,358)	(158,587)
Total shareholders' equity	2,908,293	3,070,134
Accumulated other comprehensive income		
Unrealized holding gain (loss) on securities	4,147	3,355
Deferred gain (loss) on hedges	32,421	37,078
Translation adjustments	815,989	1,207,312
Total accumulated other comprehensive income	852,558	1,247,746
Non-controlling interests	261,517	266,197
Total net assets	4,022,370	4,584,078
Total liabilities and net assets	6,259,853	6,971,337

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

Consolidated Statement of Income

(Millions of yen)

Accounts	For the nine months ended September 30, 2022	For the nine months ended September 30, 2023
Net sales	1,698,743	1,601,835
Cost of sales	681,384	654,554
Gross profit	1,017,358	947,281
Exploration expenses	23,153	23,962
Selling, general and administrative expenses	78,312	83,947
Operating income	915,892	839,372
Other income		
Interest income	36,389	67,850
Dividend income	8,591	4,199
Equity in earnings of affiliates	119,920	29,359
Gain on reversal of allowance for recoverable accounts under production sharing	7,688	–
Foreign exchange gain	9,047	14,031
Modification gain on financial assets and others	–	95,017
Other	43,305	11,251
Total other income	224,941	221,710
Other expenses		
Interest expense	19,525	42,027
Provision for allowance for recoverable accounts under production sharing	–	1,914
Modification loss on financial assets and others	83,314	–
Other	10,210	21,487
Total other expenses	113,049	65,430
Ordinary income	1,027,783	995,652
Extraordinary loss		
Impairment loss	18,274	75,689
Total extraordinary loss	18,274	75,689
Income before income taxes	1,009,509	919,962
Income taxes	751,704	645,383
Net income	257,804	274,578
Net loss attributable to non-controlling interests	(8,856)	(5,813)
Net income attributable to owners of parent	266,661	280,392

Consolidated Statement of Comprehensive Income

(Millions of yen)

Accounts	For the nine months ended September 30, 2022	For the nine months ended September 30, 2023
Net income	257,804	274,578
Other comprehensive income		
Unrealized holding gain (loss) on securities	3,316	(792)
Deferred gain (loss) on hedges	2,466	(2,358)
Translation adjustments	621,051	385,039
Share of other comprehensive income of affiliates accounted for by the equity-method	69,990	22,424
Total other comprehensive income	696,824	404,312
Comprehensive income	954,629	678,891
Total comprehensive income attributable to		
Owners of parent	951,184	675,580
Non-controlling interests	3,444	3,310

(3) Notes to Consolidated Financial Statements

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

For the nine months ended September 30, 2023 (January 1, 2023 through September 30, 2023):

None

(Note on significant changes in shareholders' equity)

For the nine months ended September 30, 2023 (January 1, 2023 through September 30, 2023):

None

(Changes in Accounting Policies)

(International Accounting Standards (IAS) 12 "Income Taxes" (amended in May 2021))

Some of the Group's foreign consolidated subsidiaries and foreign equity-method affiliates have applied IAS 12 "Income Taxes" (amended in May 2021) from the first quarter ended March 31, 2023.

Due to the amendments, for transactions, such as for leases and decommissioning obligations, that give rise to equal taxable and deductible temporary differences at the time of the transaction, it is clarified that a company should recognize deferred tax liabilities and deferred tax assets arising from those differences. The amendments have been applied retrospectively and were reflected in the consolidated financial statements for the corresponding period of the previous fiscal year and for the previous fiscal year.

As a result of this change, and compared with the figures before the retrospective application, in the consolidated balance sheet as of December 31, 2022, investment securities decreased by ¥2,451 million, deferred tax liabilities included in other under long-term liabilities increased by ¥13,540 million, retained earnings decreased by ¥10,983 million and translation adjustments decreased by ¥5,008 million. In the consolidated statement of income for the nine months ended September 30, 2022, equity in earnings of affiliates increased by ¥121 million and income taxes increased by ¥889 million, compared with the figures before the retrospective allocation. In addition, because the cumulative effect was reflected in net assets as of the beginning of the year ended December 31, 2022, retained earnings as of the beginning of the previous fiscal year decreased by ¥33,776 million.

(Additional Information)

(Modification gain and loss on financial assets and others)

In accordance with International Financial Reporting Standards (IFRS) 9 "Financial Instruments" implemented to foreign consolidated subsidiaries, the gain or loss was recognized mainly due to modification of financial assets that do not result in derecognition, revisions to estimated future cash flows of financial assets, and other factors.

(Application of practical solution on the accounting and disclosure under the group tax sharing system)

The Company and certain domestic consolidated subsidiaries have transitioned from the non-consolidated tax payment system to the group tax sharing system from the first quarter ended March 31, 2023. In accordance with the transition, the accounting treatment and disclosure of corporate tax, local tax and tax effect accounting are based on "Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System" (Accounting Standards Board of Japan ("ASBJ") Practical Issues Task Force No.42, August 12, 2021).

(Segment Information and Others)

(Segment information)

I. Information on changes in reportable segments and others

The reportable segments of the Group are components of the Group for which discrete financial information is available and regularly reviewed by the Board of Directors to make decisions about allocation of managerial resources and to assess their performance. Following the significant reclassifications to the business portfolio based on the Medium-term Business Plan announced in 2022 and the accompanying changes of the evaluation and analysis indicators used by the Board of Directors, the Group made corresponding changes in segment income and reportable segments.

Segment income was previously reconciled with operating income on the consolidated statement of income. However, because net income attributable to owners of parent is a management target in the Medium-term Business Plan and it is used as an indicator by the Board of Directors to make decisions about allocation of managerial resources and assess performance, the reconciliation was changed and segment income is reconciled with net income attributable to owners of parent on the consolidated statement of income from the first quarter ended March 31, 2023 in order to conduct evaluations and analyses that are more in line with actual conditions. In addition, as the main business of the Group is the global exploration, development, production and sales of oil and natural gas, and loans and investments in companies engaged in such activities, namely the oil and natural gas business (“Oil & Gas”), the Group had previously used reportable segments by region. However, due to significant reclassifications to the business portfolio, the addition of initiatives for the five net-zero businesses to the Long-term Strategy, and other factors, the reportable segments have been classified as “Oil & Gas Japan” and “Oil & Gas Overseas” from the first quarter ended March 31, 2023. The “Oil & Gas Overseas” segment is further classified as “Ichthys Project,” which is a major operator project of the Group, and “Other Projects,” which is comprised of other overseas projects. The “Other” category consists of the operating segments that are not included in the reportable segments, including the five net-zero businesses.

The reportable segments and other category after the changes are as follows.

Reportable segments, etc.		Main business and project name
Oil & Gas Japan		Minami-Nagaoka Gas Field, Naoetsu LNG Terminal
Oil & Gas Overseas	Ichthys Project	Ichthys LNG Project in Australia and exploration of surrounding area
	Other Projects	Projects in Australia (excluding the Ichthys LNG Project), Southeast Asia, Europe, Abu Dhabi, and other areas
Other		Five net-zero businesses, transportation and sales business, civil engineering business, etc.

The segment information disclosed for the nine months ended September 30, 2022 has been prepared based on the categories after the changes. In addition, the changes in accounting policies have been made from the first quarter ended March 31, 2023, and the figures after retrospective application are used in the nine months ended September 30, 2022.

II. For the nine months ended September 30, 2022 (January 1, 2022 through September 30, 2022)

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

(Millions of yen)

	Reportable segments			Other *1	Total	Adjustments *2	Consolidated *3
	Oil & Gas Japan	Oil & Gas Overseas					
		Ichthys Project	Other Projects				
Net sales							
Sales to third parties	154,973	253,268	1,277,135	13,365	1,698,743	–	1,698,743
Intercompany sales and transfers between segments	4,148	13,497	–	4,146	21,792	(21,792)	–
Total	159,122	266,766	1,277,135	17,512	1,720,536	(21,792)	1,698,743
Segment income (loss)	16,299	156,794	104,389	3,064	280,546	(13,884)	266,661

Notes: 1. The “Other” category consists of the operating segments that are not included in the reportable segments, and includes the five net-zero businesses, etc.

2. Adjustments of segment income (loss) of ¥(13,884) million consist of elimination of inter-segment transactions of ¥163 million and corporate expenses of ¥(14,048) million that are not allocated to reportable segments or the “Other” category. Corporate expenses are mainly amortization of goodwill and general administrative expenses that are not allocated to a reportable segment and “Other” category.

3. Segment income (loss) is reconciled with net income attributable to owners of parent on the consolidated statement of income.

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

(Impairment loss from fixed assets)

Impairment loss due to the downward revision in forecasted production volume and others is as follows.

“Oil & Gas Overseas - Other Projects” segment Eagle Ford shale play: ¥18,274 million

(Significant change in goodwill)

In “Oil & Gas Overseas - Other Projects” segment, the Group included INPEX Norway Co., Ltd. and INPEX Idemitsu Norge AS in the scope of consolidation. As a result, goodwill in the segment increased by ¥18,432 million for the nine months ended September 30, 2022.

III. For the nine months ended September 30, 2023 (January 1, 2023 through September 30, 2023)

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

(Millions of yen)

	Reportable segments			Other *1	Total	Adjustments *2	Consolidated *3
	Oil & Gas Japan	Oil & Gas Overseas					
		Ichthys Project	Other Projects				
Net sales							
Sales to third parties	189,595	273,617	1,119,103	19,518	1,601,835	–	1,601,835
Intercompany sales and transfers between segments	5,106	15,314	–	11,383	31,804	(31,804)	–
Total	194,701	288,932	1,119,103	30,902	1,633,640	(31,804)	1,601,835
Segment income (loss)	34,068	229,671	28,977	(2,710)	290,006	(9,614)	280,392

Notes: 1. The “Other” category consists of the operating segments that are not included in the reportable segments, and includes the five net-zero businesses, etc.

2. Adjustments of segment income (loss) of ¥(9,614) million consist of elimination of inter-segment transactions of ¥1,470 million and corporate expenses of ¥(11,084) million that are not allocated to reportable segments or the “Other” category. Corporate expenses are mainly amortization of goodwill and general administrative expenses that are not allocated to a reportable segment and “Other” category.

3. Segment income (loss) is reconciled with net income attributable to owners of parent on the consolidated statement of income.

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

(Impairment loss from fixed assets)

Impairment loss due to changes in the external environment, including a tightening of environmental regulations in Australia is as follows.

“Oil & Gas Overseas - Other Projects” segment Prelude FLNG Project: ¥75,689 million

(Significant Subsequent Events)

None

3. Supplementary Information

(1) Production, Orders Received and Sales Performance

The change in reportable segments has been made from the first quarter ended March 31, 2023, and the figures disclosed for the nine months ended September 30, 2022 have been prepared based on the categories after the change.

1) Actual production

The following table shows actual production by segment:

Segment		Category	For the nine months ended September 30, 2022	For the nine months ended September 30, 2023
Oil & Gas Japan		Crude oil	0.7 MMbbls (2.7 Mbbls per day)	0.7 MMbbls (2.5 Mbbls per day)
		Natural gas	27.7 Bcf (101.6 MMcf per day)	26.3 Bcf (96.2 MMcf per day)
		Subtotal	5.8 MMboe (21.2 Mboe per day)	5.5 MMboe (20.1 Mboe per day)
		Iodine	412.3t	409.9t
		Electric power generation	163.8 million kWh	157.6 million kWh
Oil & Gas Overseas	Ichthys Project	Crude oil	8.8 MMbbls (32.3 Mbbls per day)	9.3 MMbbls (33.9 Mbbls per day)
		Natural gas	227.5 Bcf (833.2 MMcf per day)	264.8 Bcf (970.1 MMcf per day)
		Subtotal	53.0 MMboe (194.2 Mboe per day)	60.2 MMboe (220.5 Mboe per day)
	Other Projects	Crude oil	96.7 MMbbls (354.2 Mbbls per day)	94.9 MMbbls (347.6 Mbbls per day)
		Natural gas	62.4 Bcf (228.6 MMcf per day)	70.9 Bcf (259.6 MMcf per day)
		Subtotal	108.2 MMboe (396.3 Mboe per day)	107.8 MMboe (394.7 Mboe per day)
		Sulfur	53.4 Mtons	101.0 Mtons
	Other		Electric power generation	425.3 million kWh
Total		Crude oil	106.2 MMbbls (389.1 Mbbls per day)	104.9 MMbbls (384.1 Mbbls per day)
		Natural gas	317.6 Bcf (1,163.4 MMcf per day)	362.0 Bcf (1,325.9 MMcf per day)
		Subtotal	167.0 MMboe (611.7 Mboe per day)	173.4 MMboe (635.2 Mboe per day)
		Iodine	412.3t	409.9t
		Sulfur	53.4 Mtons	101.0 Mtons
		Electric power generation	589.1 million kWh	1,226.4 million kWh

Notes: 1. The volume of LPG produced overseas is included in "Crude oil."

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

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

4. The production volume of crude oil and natural gas under the production sharing contracts entered into by the Group corresponds to the net economic take of the Group. Figures calculated by multiplying the gross production volume by the Company's interest share are 114.3 MMbbls (418.6 Mbbls per day) of crude oil, 325.2 Bcf (1,191.2 MMcf per day) of natural gas, and in total 176.4 MMboe (646.1 Mboe per day) for the nine months ended September 30, 2022, and 110.5 MMbbls (404.7 Mbbls per day) of crude oil, 365.9 Bcf (1,340.1 MMcf per day) of natural gas, and in total 180.0 MMboe (659.5 Mboe per day) for the nine months ended September 30, 2023.

5. "Boe" means barrels of oil equivalent.

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

7. Figures are rounded to the first decimal place.

2) Orders received

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

3) Actual sales

The following table shows sales by segment:

(Millions of yen)

Segment		Category	For the nine months ended September 30, 2022		For the nine months ended September 30, 2023	
			Sales volume	Net sales	Sales volume	Net sales
Oil & Gas Japan		Crude oil	452 Mbbls	4,551	322 Mbbls	3,503
		Natural gas (excluding LPG)	71,139 MMcf	143,246	71,654 MMcf	180,407
		LPG	1 Mbbls	5	–	–
		Other		7,169		5,683
		Subtotal		154,973		189,595
Oil & Gas Overseas	Ichthys Project	Crude oil	8,426 Mbbls	112,836	9,635 Mbbls	107,887
		Natural gas (excluding LPG)	204,704 MMcf	140,432	241,540 MMcf	165,730
		Subtotal		253,268		273,617
	Other Projects	Crude oil	94,043 Mbbls	1,197,386	94,771 Mbbls	1,050,925
		Natural gas (excluding LPG)	46,188 MMcf	77,453	49,271 MMcf	65,126
		LPG	69 Mbbls	568	441 Mbbls	2,869
		Other		1,727		182
Subtotal		1,277,135		1,119,103		
Other		Crude oil	–	3,575	–	5,105
		Natural gas (excluding LPG)	268 MMcf	1,109	257 MMcf	1,315
		LPG	–	2,291	–	3,849
		Other		6,388		9,249
		Subtotal		13,365		19,518
Total		Crude oil	102,921 Mbbls	1,318,349	104,728 Mbbls	1,167,421
		Natural gas (excluding LPG)	322,299 MMcf	362,242	362,722 MMcf	412,580
		LPG	69 Mbbls	2,865	441 Mbbls	6,718
		Other		15,286		15,115
		Total		1,698,743		1,601,835