



**Consolidated Financial Results for the nine months ended December 31, 2006**

February 9, 2007

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

Listed company's name INPEX Holdings Inc.  
 (URL <http://www.inpexhd.co.jp/>)  
 Code number 1605: 1st Section of the Tokyo Stock Exchange

Representative Naoki Kuroda, President  
 Contact person Shuhei Miyamoto, General Manager, Corporate Communications Unit  
 TEL +81-3-5448-0205

1. Preparation of the Financial Results

- ① Application of simplified accounting method : No  
 ② Changes in scope of consolidation and equity method of accounting : Yes

Number of consolidated subsidiaries:

(Newly included) 4 (Excluded) -

Number of affiliates accounted for by the equity method

(Newly included) 1 (Excluded) 1

Note: The Company was established on April 3, 2006 as the sole parent company of INPEX CORPORATION and Teikoku Oil Co., Ltd. Since the Company started to compile the consolidated financial results from this period, "changes in accounting policies from the latest fiscal year" is not disclosed.

2. Consolidated Financial Results for the nine months ended December 31, 2006 (April 1, 2006-December 31, 2006)

(1) Consolidated operating results

Note: Amounts less than one million yen are rounded off.

	Net sales		Operating income		Ordinary income	
	Million yen	%	Million yen	%	Million yen	%
For the nine months ended December 31, 2006	729,234	—	430,885	—	427,429	—

	Net income		Net income per share—basic	Net income per share—diluted
	Million yen	%	Yen	Yen
For the nine months ended December 31, 2006	107,006	—	45,701.26	—

Notes: 1. Since consolidated financial results are prepared for the first time for the nine months ended December 31, 2006, no consolidated financial results of the corresponding period of the previous year nor percentage expressions for the change from the corresponding period of the preceding year are not disclosed.

2. Average number of shares issued and outstanding in this period (consolidated): for the nine months ended December 31, 2006, 2,341,437 shares

## (Qualitative Information on Consolidated Financial Results)

During the nine months ended December 31, 2006, consolidated net sales were ¥729,234 million. Consolidated net sales of crude oil were ¥452,291 million. Consolidated net sales of natural gas were ¥256,269 million. The average crude oil price for the nine months ended December 31, 2006 was US\$64.19 per bbl. The average yen against the U.S. dollar for the nine months ended December 31, 2006 was ¥116.13 per U.S. dollar.

Cost of sales for the nine months ended December 31, 2006 was ¥250,935 million. Exploration expenses were ¥11,866 million. Selling, general and administrative expenses were ¥35,547 million. As a result, operating income was ¥430,885 million.

Other income for the nine months ended December 31, 2006 was ¥18,808 million. Other expenses were ¥22,265 million. As a result, ordinary income for the nine months ended December 31, 2006 was ¥427,429 million.

Income taxes - current for the nine months ended December 31, 2006 were ¥325,266 million. Income taxes - deferred for the nine months ended December 31, 2006 were ¥ (10,372) million. Minority interests were ¥5,528 million. As a result of above effects, consolidated net income for the nine months ended December 31, 2006 was ¥107,006 million.

### (2) Consolidated financial position

Note: Amounts less than one million yen are rounded off.

	Total assets	Net assets	Net assets excluding minority interests as a percentage of total assets	Net assets excluding minority interests per share
As of December 31, 2006	Million yen 1,548,763	Million yen 995,971	% 61.3	Yen 404,351.68

- Notes:
1. Since consolidated financial results are prepared for the first time for the nine month ended December 31, 2006, the consolidated financial position at the end of the previous period is not disclosed.
  2. Number of shares at the end of this period (consolidated):  
as of December 31, 2006, 2,346,488 shares

### [Consolidated cash flows]

Note: Amounts less than one million yen are rounded off.

	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 nine months ended December 31, 2006	Million yen 191,548	Million yen (162,962)	Million yen 9,573	Million yen 192,006

- Notes:
1. Since consolidated financial results are prepared for the first time for the nine month ended December 31, 2006, the consolidated financial position at the end of the previous period is not disclosed.

## (Qualitative Information on Consolidated Financial Position)

Consolidated total assets were ¥1,548,763 million as of December 31, 2006. Current assets were ¥422,986 million. Fixed assets were ¥1,125,776 million.

Total liabilities were ¥552,791 million and total net assets were ¥995,971 million. Minority interests included in total net assets were ¥47,165 million.

As for cash flows during the nine months ended December 31, 2006, net cash provided by operating activities was ¥191,548 million. Net cash used in investing activities was ¥162,962 million. Net cash provided by financing activities was ¥9,573 million. After adding ¥2,703 million for the effect of exchange rate changes on cash and cash equivalents, the increase in cash and cash equivalents during the nine months ended December 31, 2006 amounted to ¥40,863 million. Cash and cash equivalents at the end of the nine months ended December 31, 2006 totaled ¥192,006 million by adding ¥40,863 million which was an increase in cash and cash equivalents during the period and ¥151,143 million at beginning of the period.

### [Accompanied materials]

1. Condensed Consolidated Balance Sheet
2. Condensed Consolidated Statement of Income
3. Condensed Consolidated Statement of Cash Flows
4. Production, Orders Received and Sales Performance

### [Supplemental materials]

1. Condensed Consolidated Balance Sheets of INPEX CORPORATION and Teikoku Oil Co., Ltd.
2. Condensed Consolidated Statements of Income of INPEX CORPORATION and Teikoku Oil Co., Ltd.

[Reference]

Estimated Consolidated Operating Results for the year ending March 31, 2007

(April 1, 2006-March 31, 2007)

	Net sales	Ordinary income	Net income
	Million yen	Million yen	Million yen
Previous Forecasts: A	951,000	541,000	124,000
Revised Forecasts: B	951,000	545,000	136,000
Increase: B-A	0	4,000	12,000
Rate of increase (%)	0.0%	0.7%	9.7%

Reference:

The forecasts of ¥57,958.95 of net income per share for the year ending March 31, 2007 is calculated based on the expected number of shares issued and outstanding of 2,346,488 shares at March 31, 2007.

The Company has revised its consolidated financial forecasts for the year ending March 31, 2007, which were previously announced in November 15, 2006, considering the consolidated financial results for the nine months ended December 31, 2006.

The Company does not revise its non-consolidated financial forecasts for the year ended March 31, 2007, which were previously announced in November 15, 2006.

The above forecasts are calculated based on the following assumptions:

Crude oil price (Brent) 4<sup>th</sup> Quarter: US\$ 55.00/bbl (Full Year US\$ 64.17/bbl)

Foreign currency exchange rates 4<sup>th</sup> Quarter: ¥110/US\$

Our crude oil prices are different for each crude oil, and there are also price difference between our crude oil price and price of Brent. Price differential are caused by its quality and its pricing range is not constant due to the market conditions. Most of our crude oil prices are lower than Brent price.

- \* The aforementioned forecasts are based on currently available information and contain many uncertainties. Changing business conditions including oil and gas price levels, production and sales plans, projects development schedules, government regulations, financial conditions and relationship with oil and gas producing countries may cause actual results to differ from the above forecasts.

## 1. Condensed consolidated balance sheet

(Millions of yen)

Accounts	As of December 31, 2006	
	Amounts	Ratio
		%
(Assets)		
I Current assets		
1 Cash and deposits	207,618	
2 Accounts receivable-trade	76,475	
3 Marketable securities	42,868	
4 Other	96,024	
Total current assets	422,986	27.3
II Fixed assets		
1 Tangible fixed assets	217,725	14.1
2 Intangible assets	269,222	17.4
3 Investments and other assets		
(1) Investment securities	341,329	
(2) Recoverable accounts under production sharing	318,223	
(3) Other	36,355	
Less allowance for recoverable accounts under production sharing	(48,806)	
Less allowance for investments in exploration	(8,274)	
Total investments and other assets	638,827	41.2
Total fixed assets	1,125,776	72.7
Total assets	1,548,763	100.0
(Liabilities)		
I Current liabilities		
1 Accounts payable	23,041	
2 Short-term loans	41,958	
3 Income taxes payable	95,437	
4 Other	101,935	
Total current liabilities	262,372	16.9
II Long-term liabilities		
1 Long-term debt	227,338	
2 Other	63,079	
Total long-term liabilities	290,418	18.8
Total liabilities	552,791	35.7
(Net assets)		
I Shareholders' equity		
1 Common stock	30,000	1.9
2 Capital surplus	417,500	27.0
3 Retained earnings	512,036	33.1
4 Treasury stock	(10,765)	(0.7)
Total shareholders' equity	948,770	61.3
II Valuation, translation adjustments and others		
1 Unrealized holding loss on securities	(1,296)	(0.1)
2 Unrealized gain from hedging instruments	20	0.0
3 Translation adjustments	1,312	0.1
Total valuation, translation adjustments and others	35	0.0
III Minority interests	47,165	3.0
Total net assets	995,971	64.3
Total liabilities and net assets	1,548,763	100.0

## 2. Condensed consolidated statement of income

(Millions of yen)

Accounts	For the nine months ended December 31, 2006	
	Amounts	Ratio
		%
I Net sales	729,234	100.0
II Cost of sales	250,935	34.4
Gross profit	478,298	65.6
III Exploration expenses	11,866	1.6
IV Selling, general and administrative expenses	35,547	4.9
Operating income	430,885	59.1
V Other income	18,808	2.6
1 Interest income	9,440	
2 Equity in earnings of affiliates	1,526	
3 Foreign exchange gain	2,582	
4 Other	5,259	
VI Other expenses	22,265	3.1
1 Interest expense	9,230	
2 Provision for allowance for recoverable accounts under production sharing	3,165	
3 Other	9,869	
Ordinary income	427,429	58.6
Income before income taxes and minority interests	427,429	58.6
Income taxes-current	325,266	44.6
Income taxes-deferred	(10,372)	(1.4)
Minority interests	5,528	0.8
Net income	107,006	14.7

3. Condensed consolidated statement of cash flows

(Millions of yen)

Accounts	For the nine months ended December 31, 2006
	Amounts
I Cash flows from operating activities	
Income before income taxes and minority interests	427,429
Depreciation and amortization	22,000
Amortization of goodwill	5,239
Provision for allowance for recoverable accounts under production sharing	3,713
Interest and dividend income	(11,402)
Interest expense	9,230
Foreign exchange gain	(263)
Equity in earnings of affiliates	(1,526)
Accounts receivable	(4,919)
Recovery of recoverable accounts under production sharing (capital expenditures)	80,502
Recoverable accounts under production sharing (operating expenditures)	(16,459)
Other	(7,915)
Subtotal	505,628
Interest and dividends received	15,527
Interest paid	(8,099)
Income taxes paid	(321,508)
Net cash provided by operating activities	191,548
II Cash flows from investing activities	
Proceeds from sales of marketable securities	15,643
Purchase of tangible fixed assets	(27,237)
Proceeds from sales of tangible fixed assets	944
Purchase of investment securities	(76,661)
Proceeds from sales of investment securities	26,704
Investment in recoverable accounts under production sharing (capital expenditures)	(87,222)
Other	(15,132)
Net cash used in investing activities	(162,962)
III Cash flows from financing activities	
Proceeds from long-term debt	24,325
Repayment of long-term debt	(14,238)
Cash dividends paid	(10,789)
Stock transfer payment	(867)
Other	11,144
Net cash provided by financing activities	9,573
IV Effect of exchange rate changes on cash and cash equivalents	2,703
V Net increase in cash and cash equivalents	40,863
VI Cash and cash equivalents at beginning of the period	151,143
VII Cash and cash equivalents at end of the period	192,006

4. Production, orders received and sales performance

(1) Actual production

The following table shows actual production by business segment in each period.

Business segment	Category	For the nine months ended December 31, 2006
Crude oil and natural gas	Crude oil	65 millions barrels (237 thousands barrels per day)
	Natural gas	281 billions CF (1,021 millions CF per day)
	Sub total	112 millions BOE (407 thousands BOE per day)
	Petroleum Products	185 thousands kl
	Iodine	395 tons

Notes: 1. The amount of LPG produced abroad 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 fuel for petroleum products.

3. The production by the Company's affiliates accounted for by the equity method is included in the figures above. Also, the production is a result for the nine months ended December 31 regardless of a closing date on the basis of fiscal periods of its subsidiaries or affiliates.

4. The production volume of crude oil and natural gas under the production sharing contracts entered by INPEX Holdings 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 79 millions barrels (288 thousands barrels per day) of crude oil, 498 billions CF (1,809 millions CF per day) of natural gas, and in total 162 millions BOE (590 thousands BOE per day).

5. BOE means barrels of oil equivalent.

6. Iodine is refined on consignment by another company.

7. 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) We take back the full amount of crude oil allocated to us under production sharing contracts and produced under concession agreements, and primarily sell it to Japanese refineries. We sell natural gas produced in Indonesia in the form of LNG to Japanese power companies and city gas companies through PERTAMINA and also sell a part to customers in South Korea, Taiwan and other countries. In addition, we sell natural gas produced in Japan to customers using our pipeline.
- b) Sales by classification during each period were as follows:

Business segment	Category	For the nine months ended December 31, 2006		
		Sales volume of oversea production	Sales volume of domestic production	Net sales (Millions of yen)
Crude oil and natural gas	Crude oil	60 millions barrels	10 thousands kl	452,291
	Natural gas	247 billions CF	852 millions m <sup>3</sup>	256,269
		LPG: 955 thousands barrels	LPG: 14 thousands tons	
	Others	19,312		
	Subtotal	727,873		
Other	1,360			
Total		729,234		

- Notes: 1. The above amounts do not include the related consumption tax.
2. The Company's subsidiaries of which closing date for fiscal year is December 31 are principally consolidated their operating result for the nine months ended September 30 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.



## 1. Condensed consolidated balance sheets of INPEX CORPORATION and Teikoku Oil Co., Ltd.

(Millions of yen)

Accounts	INPEX CORPORATION (Consolidated) As of December 31, 2006	Teikoku Oil Co., Ltd. (Consolidated) As of December 31, 2006
	Amounts	Amounts
(Assets)		
I Current assets		
1 Cash and deposits	171,856	19,576
2 Accounts receivable-trade	66,183	12,390
3 Marketable securities	34,463	8,405
4 Other	75,833	22,978
Total current assets	348,337	63,351
II Fixed assets		
1 Tangible fixed assets	58,176	144,239
2 Intangible assets	132,694	2,375
3 Investments and other assets		
(1)Investment securities	236,976	98,404
(2)Recoverable accounts under production sharing	316,713	1,509
(3)Other	27,285	12,259
Less allowance for recoverable accounts under production sharing	(47,806)	(1,000)
Less allowance for investments in exploration	(5,296)	(2,848)
Total investments and other assets	527,873	108,324
Total fixed assets	718,744	254,939
Total assets	1,067,081	318,290
(Liabilities)		
I Current liabilities		
1 Accounts payable	20,071	3,626
2 Short-term loans	35,800	9,057
3 Income taxes payable	93,394	1,984
4 Other	78,423	22,660
Total current liabilities	227,690	37,328
II Long-term liabilities		
1 Long-term debt	197,881	29,456
2 Other	16,302	42,234
Total long-term liabilities	214,184	71,691
Total liabilities	441,874	109,020
(Net assets)		
I Shareholders' equity		
1 Common stock	29,460	19,579
2 Capital surplus	62,402	11,222
3 Retained earnings	486,131	134,872
Total Shareholders' equity	577,994	165,674
II Valuation, translation adjustments and others		
1 Unrealized holding gain on securities	1,173	40,713
2 Unrealized gain from hedging instruments	-	20
3 Translation adjustments	1,207	528
Total valuation, translation adjustments and others	2,381	41,261
III Minority interests	44,831	2,333
Total net assets	625,206	209,270
Total liabilities and net assets	1,067,081	318,290

2. Condensed Consolidated Statements of Income of INPEX CORPORATION and Teikoku Oil Co., Ltd.  
(Millions of yen)

Accounts	INPEX CORPORATION (Consolidated) For the nine months ended December 31, 2006	Teikoku Oil Co., Ltd. (Consolidated) For the nine months ended December 31, 2006
	Amounts	Amounts
I Net sales	664,582	81,360
II Cost of sales	224,064	43,547
Gross profit	440,518	37,813
III Exploration expenses	10,944	921
IV Selling, general and administrative expenses	15,147	15,377
Operating income	414,426	21,514
V Other income	17,061	3,685
1 Interest income	9,008	425
2 Equity in earnings of affiliates	1,266	259
3 Foreign exchange gain	2,431	151
4 Other	4,355	2,848
VI Other expenses	17,430	4,520
1 Interest expense	8,622	609
2 Provision for allowance for recoverable accounts under production sharing	2,678	487
3 Other	6,129	3,423
Ordinary income	414,057	20,679
VII Extraordinary income	-	653
1 Gain on sales of fixed assets	-	653
Income before income taxes and minority interests	414,057	21,332
Income taxes-current	314,012	11,230
Income taxes-deferred	(10,312)	308
Minority interests	5,257	270
Net income	105,100	9,522