

Consolidated Financial Results for the Nine Months ended December 31, 2017 [Japanese GAAP]

February 8, 2018

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 : Toshiaki Kitamura, President
 Contact person : Munehiro Hosono, General Manager, Corporate Communications Unit
 TEL+81-3-5572-0233
 Scheduled date of filing Quarterly Financial Report : February 13, 2018
 Scheduled date of payment of cash dividends : —
 Preparation of supplementary explanatory materials : Yes
 Meeting of quarterly financial results presentation : No

(Amounts less than one million yen are rounded off)

1. Consolidated Financial Results for the Nine Months ended December 31, 2017 (April 1, 2017-December 31, 2017)

(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 December 31, 2017	703,667	12.9	287,899	22.1	308,299	20.2	53,409	11.4
December 31, 2016	623,489	(22.9)	235,808	(30.3)	256,569	(27.6)	47,929	(28.9)

(Note): Consolidated comprehensive income: for the nine months ended December 31, 2017, ¥68,393 million; (—%)
 for the nine months ended December 31, 2016, ¥1,306 million; (—%)

	Net income per share—basic	Net income per share—diluted
For the nine months ended	Yen	Yen
December 31, 2017	36.57	—
December 31, 2016	32.82	—

(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 December 31, 2017	4,420,012	3,248,176	67.4
As of March 31, 2017	4,312,174	3,207,542	68.3

(Reference): Net assets excluding non-controlling interests: as of December 31, 2017, ¥2,980,616 million
 as of March 31, 2017, ¥2,943,169 million

2. Dividends

	Cash dividends per share				
	At 1st quarter end	At 2nd quarter end	At 3rd quarter end	At fiscal year end	Total
	Yen	Yen	Yen	Yen	Yen
For the year ended March 31, 2017	—	9.00	—	9.00	18.00
For the year ending March 31, 2018	—	9.00	—		
For the year ending March 31, 2018 (forecast)				9.00	18.00

(Note): 1. Changes in projected dividends for the year ending March 31, 2018 from the previous forecast: None

2. Above information of "Dividends" is regarding common stock. For information regarding Class A stock (which is not listed), please refer to Exhibit "Dividends of Class A stock".

3. Forecasted Consolidated Financial Results for the year ending March 31, 2018 (April 1, 2017-March 31, 2018)

(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 March 31, 2018	917,000	4.9	349,000	3.7	368,000	10.2	52,000	12.6	35.61

(Note): Changes in forecasted consolidated financial results for the year ending March 31, 2018 from the previous forecast: Yes

Notes

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

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

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

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

(4) Number of shares issued (Common stock)

1. Number of shares issued at the end of the period (including treasury stock): 1,462,323,600 shares as of December 31, 2017
1,462,323,600 shares as of March 31, 2017
2. Number of treasury stock at the end of the period: 1,966,500 shares as of December 31, 2017
1,966,500 shares as of March 31, 2017
3. Average number of shares: 1,460,357,100 shares for the nine months ended December 31, 2017
1,460,357,160 shares for the nine months ended December 31, 2016

*This quarterly earnings report is exempt from quarterly review procedure.

*Explanation regarding the appropriate use of estimated consolidated financial results

The aforementioned forecasts are based on the currently available information and contain many uncertainties. The final results might be significantly different from the aforementioned forecasts due to changes in business conditions including oil and natural gas price levels, production and sales plans, project development schedules, government regulations and financial and tax schemes. Please refer to "1.(3) Explanation regarding future forecast information such as Forecasts for Consolidated Financial Results" on page 4.

Exhibit:

Dividends of Class A stock

	Cash dividends per share				
	At 1st quarter end	At 2nd quarter end	At 3rd quarter end	At fiscal year end	Total
	Yen	Yen	Yen	Yen	Yen
For the year ended March 31, 2017	—	3,600.00	—	3,600.00	7,200.00
For the year ending March 31, 2018	—	3,600.00	—		
For the year ending March 31, 2018 (forecast)				3,600.00	7,200.00

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

Index of the Attachments

1. Qualitative Information / Financial Statements	2
(1) Explanation on Consolidated Financial Results.....	2
(2) Explanation on Consolidated Financial Position	3
(3) Explanation regarding future forecast information such as Forecasts for Consolidated Financial Results	4
2. Consolidated Financial Statements and Principal Notes	5
(1) Consolidated Balance Sheet	5
(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income	7
Consolidated Statement of Income	7
Consolidated Statement of Comprehensive Income	8
(3) Consolidated Statement of Cash Flows	9
(4) Notes to Consolidated Financial Statements	11
(Conditions or events that indicate there could be substantial doubt about the Company's ability to continue as a going concern)	11
(Note on significant changes in shareholders' equity)	11
(Segment information)	12
(Subsequent events)	12
3. Supplementary Information	13
(1) Production, Orders Received and Sales Performance.....	13

1. Qualitative Information/Financial Statements

(1) Explanation on Consolidated Financial Results

Net sales for the nine months ended December 31, 2017 increased by ¥80.1 billion, or 12.9%, to ¥703.6 billion from the corresponding period of the previous fiscal year due to an increase in unit sales price.

Net sales of crude oil increased by ¥86.8 billion, or 19.5%, to ¥531.2 billion, and net sales of natural gas decreased by ¥7.1 billion, or 4.2%, to ¥162.4 billion.

Sales volume of crude oil decreased by 4,960 thousand barrels, or 5.3%, to 87,781 thousand barrels. Sales volume of natural gas decreased by 36,727 million cf, or 14.7%, to 213,169 million cf. Sales volume of overseas natural gas decreased by 43,338 million cf, or 21.5%, to 158,310 million cf, and sales volume of domestic natural gas increased by 177 million m³, or 13.7%, to 1,470 million m³ (54,859 million cf).

The average sales price of overseas crude oil increased by US\$9.24, or 20.7%, to US\$53.86 per barrel. In addition, the average sales price of overseas natural gas increased by US\$0.03, or 0.6%, to US\$5.07 per thousand cf. Meanwhile, the average sales price of domestic natural gas increased by ¥2.98, or 6.9%, to ¥46.09 per m³. The average exchange rate of the Japanese yen against the U.S. dollar on consolidated net sales depreciated by ¥4.60, or 4.3%, to ¥111.74 per U.S. dollar from the corresponding period of the previous fiscal year.

The increase of ¥80.1 billion in net sales was mainly derived from the following factors: regarding net sales of crude oil and natural gas, a decrease in sales volume pushing sales down of ¥41.1 billion, an increase in unit sales price contributing ¥95.5 billion to the increase, the depreciation of the Japanese yen against the U.S. dollar contributing ¥25.3 billion to the increase, and an increase in net sales excluding crude oil and natural gas of ¥0.4 billion.

Cost of sales for the nine months ended December 31, 2017 increased by ¥29.6 billion, or 9.1%, to ¥354.6 billion due to an increase in royalty and others. Exploration expenses decreased by ¥3.7 billion, or 67.9%, to ¥1.7 billion. Selling, general and administrative expenses increased by ¥2.1 billion, or 3.7%, to ¥59.3 billion. As a result, operating income increased by ¥52.0 billion, or 22.1%, to ¥287.8 billion.

Other income increased by ¥4.0 billion, or 15.2%, to ¥30.8 billion. Other expenses increased by ¥4.4 billion, or 73.9%, to ¥10.4 billion. As a result, ordinary income and income before income taxes increased by ¥51.7 billion, or 20.2%, to ¥308.2 billion.

Total amount of current income taxes and deferred income taxes increased by ¥50.4 billion, or 25.4%, to ¥248.7 billion, net income increased by ¥1.2 billion, or 2.2%, to ¥59.5 billion, and net income attributable to non-controlling interests was ¥6.1 billion. As a result of the above effects, net income attributable to owners of parent for the nine months ended December 31, 2017 increased by ¥5.4 billion, or 11.4%, to ¥53.4 billion.

Financial results by segment are as follows:

1) Japan

Net sales increased by ¥13.7 billion, or 20.1%, to ¥82.2 billion due to increases in sales volume and sales prices of crude oil and natural gas. Operating income increased by ¥12.3 billion, or 194.4%, to ¥18.6 billion.

2) Asia & Oceania

Net sales decreased by ¥27.3 billion, or 17.2%, to ¥131.6 billion due to a decrease in sales volume, despite an increase in sales prices of crude oil and natural gas, and the depreciation of the Japanese yen against the U.S. dollar. Operating income decreased by ¥7.3 billion, or 20.7%, to ¥28.4 billion.

3) Eurasia (Europe & NIS)

Net sales increased by ¥19.1 billion, or 40.6%, to ¥66.3 billion due to increases in sales volume and sales price of crude oil, and the depreciation of the Japanese yen against the U.S. dollar. Operating income increased by ¥9.1 billion, or 88.7%, to ¥19.4 billion.

4) Middle East & Africa

Net sales increased by ¥74.0 billion, or 21.7%, to ¥415.1 billion due to an increase in sales price of crude oil and the depreciation of the Japanese yen against the U.S. dollar, despite a decrease in sales volume. Operating income increased by ¥39.0 billion, or 19.8%, to ¥236.1 billion.

5) Americas

Net sales increased by ¥0.5 billion, or 6.6%, to ¥8.1 billion due to an increase in sales prices of crude oil and the depreciation of the Japanese yen against the U.S. dollar, despite a decrease in sales volume of crude oil. Operating loss decreased by ¥2.6 billion, or 37.3%, to ¥4.4 billion.

(2) Explanation on Consolidated Financial Position

Total assets as of December 31, 2017 increased by ¥107.8 billion to ¥4,420.0 billion from ¥4,312.1 billion as of March 31, 2017. Current assets decreased by ¥290.3 billion to ¥652.6 billion due to a decrease in cash and deposits and others. Fixed assets increased by ¥398.1 billion to ¥3,767.4 billion due to increases in tangible fixed assets, investments and other assets and others. Meanwhile, total liabilities increased by ¥67.2 billion to ¥1,171.8 billion from ¥1,104.6 billion as of March 31, 2017. Current liabilities increased by ¥19.2 billion to ¥316.6 billion and long-term liabilities increased by ¥47.9 billion to ¥855.1 billion. Net assets increased by ¥40.6 billion to ¥3,248.1 billion. Total shareholders' equity increased by ¥27.1 billion to ¥2,583.9 billion. Total accumulated other comprehensive income increased by ¥10.3 billion to ¥396.6 billion and non-controlling interests in net assets increased by ¥3.1 billion to ¥267.5 billion.

Cash and cash equivalents as of December 31, 2017 totaled ¥407.9 billion reflecting a net increase of ¥91.1 billion from ¥316.7 billion at the end of the previous fiscal year.

Cash flows from operating activities, investing activities and financing activities are as follows:

1) Cash flows from operating activities

Net cash provided by operating activities increased by ¥26.1 billion to ¥211.9 billion from the corresponding period of the previous fiscal year. This is due mainly to an increase in income before income taxes owing to an increase in unit sales price.

2) Cash flows from investing activities

Net cash used in investing activities increased by ¥44.6 billion to ¥136.1 billion from the corresponding period of the previous fiscal year. This is due mainly to an increase in payments for purchases of investment securities.

3) Cash flows from financing activities

Net cash provided by financing activities decreased by ¥14.5 billion to ¥14.5 billion from the corresponding period of the previous fiscal year. This is due mainly to a decrease in proceeds from issuance of commercial papers, despite an increase in proceeds from long-term debt.

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

Forecast for consolidated financial results for the year ending March 31, 2018 have been revised from the previous forecasts presented on November 8, 2017, taking into consideration the consolidated financial results for the nine months ended December 31, 2017.

Forecasts for consolidated financial results for the year ending March 31, 2018

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent
Previous Forecasts: A	877,000	341,000	367,000	52,000
Revised Forecasts: B	917,000	349,000	368,000	52,000
Increase (Decrease): B-A	40,000	8,000	1,000	-
Percentage change (%)	4.6	2.3	0.3	-

Note: Based on the future outlook of natural gas prices in the Americas, etc., the Company is currently reevaluating the assets of its upstream projects in the Americas. In the event the results of this revaluation indicate an expected impact on financial results, the Company will issue an announcement.

The above forecasts are calculated based on the following assumptions:

	Previous Forecasts		Revised Forecasts	
Crude oil price (Brent)	1st Half:	US\$ 51.5/bbl (Actual)	1st Half:	US\$ 51.5/bbl (Actual)
	2nd Half:	US\$ 55.0/bbl	2nd Half:	US\$ 63.2/bbl *1
	Full Year:	US\$ 53.3/bbl (Average)	Full Year:	US\$ 57.3/bbl (Average)
Exchange rate	1st Half:	¥111.1/US\$ (Actual)	1st Half:	¥111.1/US\$ (Actual)
	2nd Half:	¥110.0/US\$	2nd Half:	¥111.5/US\$ *2
	Full Year:	¥110.5/US\$ (Average)	Full Year:	¥111.3/US\$ (Average)

*1 3rd quarter (Actual) : US\$61.5/bbl

4th quarter (Forecast) : US\$ 65.0/bbl

*2 3rd quarter (Actual) : ¥113.0/US\$

4th quarter (Forecast) : ¥110.0/US\$

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

2. Consolidated Financial Statements and Principal Notes

(1) Consolidated Balance Sheet

(Millions of yen)

Accounts	As of March 31, 2017	As of December 31, 2017
(Assets)		
Current assets		
Cash and deposits	652,614	424,896
Accounts receivable-trade	72,364	91,559
Marketable securities	5,503	—
Inventories	30,720	35,313
Recoverable accounts under production sharing	47,263	5,324
Other	158,958	124,507
Less allowance for doubtful accounts	(20,763)	(23,673)
Less allowance for recoverable accounts under production sharing	(3,701)	(5,324)
Total current assets	942,960	652,602
Fixed assets		
Tangible fixed assets		
Buildings and structures, net	214,575	201,268
Wells, net	44,980	33,872
Machinery, equipment and vehicles, net	120,713	113,180
Land	19,189	19,120
Construction in progress	1,511,660	1,718,320
Other, net	17,478	17,339
Total tangible fixed assets	1,928,597	2,103,103
Intangible assets		
Goodwill	60,798	55,727
Other	460,455	441,868
Total intangible assets	521,253	497,595
Investments and other assets		
Investment securities	246,085	374,503
Recoverable accounts under production sharing	611,937	590,444
Other	189,234	295,074
Less allowance for doubtful accounts	(8,282)	(7,870)
Less allowance for recoverable accounts under production sharing	(116,842)	(82,722)
Less allowance for investments in exploration	(2,769)	(2,719)
Total investments and other assets	919,362	1,166,710
Total fixed assets	3,369,213	3,767,409
Total assets	4,312,174	4,420,012

(Millions of yen)

Accounts	As of March 31, 2017	As of December 31, 2017
(Liabilities)		
Current liabilities		
Accounts payable-trade	51,105	50,692
Short-term loans	44,252	48,424
Income taxes payable	45,219	51,125
Provision for loss on business	2,920	6,478
Provision for exploration projects	4,478	4,400
Accrued bonuses to officers	62	41
Asset retirement obligations	4,301	1,826
Other	145,125	153,708
Total current liabilities	297,465	316,697
Long-term liabilities		
Long-term debt	643,432	687,548
Accrued special repair and maintenance	331	312
Liability for retirement benefits	5,952	5,978
Asset retirement obligations	104,845	111,642
Other	52,605	49,656
Total long-term liabilities	807,166	855,138
Total liabilities	1,104,631	1,171,835
(Net assets)		
Shareholders' equity		
Common stock	290,809	290,809
Capital surplus	676,273	676,273
Retained earnings	1,595,018	1,622,141
Treasury stock	(5,248)	(5,248)
Total shareholders' equity	2,556,852	2,583,976
Accumulated other comprehensive income		
Unrealized holding gain on securities	6,479	16,143
Unrealized gain from hedging instruments	717	7,288
Translation adjustments	379,119	373,208
Total accumulated other comprehensive income	386,316	396,640
Non-controlling interests	264,372	267,559
Total net assets	3,207,542	3,248,176
Total liabilities and net assets	4,312,174	4,420,012

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

(Millions of yen)

Accounts	For the nine months ended December 31, 2016	For the nine months ended December 31, 2017
Net sales	623,489	703,667
Cost of sales	324,992	354,655
Gross profit	298,497	349,012
Exploration expenses	5,447	1,746
Selling, general and administrative expenses	57,240	59,366
Operating income	235,808	287,899
Other income		
Interest income	8,512	5,851
Dividend income	2,044	2,765
Equity in earnings of affiliates	523	2,646
Gain on reversal of allowance for recoverable accounts under production sharing	—	11,243
Foreign exchange gain	711	757
Other	14,967	7,570
Total other income	26,759	30,834
Other expenses		
Interest expense	3,847	5,080
Provision for allowance for recoverable accounts under production sharing	317	—
Other	1,834	5,354
Total other expenses	5,999	10,435
Ordinary income	256,569	308,299
Income before income taxes	256,569	308,299
Income taxes-current	220,615	247,077
Income taxes-deferred	(22,289)	1,700
Total income taxes	198,325	248,778
Net income	58,244	59,520
Net income (loss) attributable to non-controlling interests	10,315	6,111
Net income attributable to owners of parent	47,929	53,409

Consolidated Statement of Comprehensive Income

(Millions of yen)

Accounts	For the nine months ended December 31, 2016	For the nine months ended December 31, 2017
Net income	58,244	59,520
Other comprehensive income		
Unrealized holding gain on securities	7,144	9,624
Translation adjustments	(62,089)	(6,659)
Share of other comprehensive income of associates accounted for by the equity method	(1,992)	5,907
Total other comprehensive income	(56,938)	8,872
Comprehensive income	1,306	68,393
Total comprehensive income attributable to		
Owners of parent	5,285	63,733
Non-controlling interests	(3,979)	4,659

(3) Consolidated Statement of Cash Flows

(Millions of yen)

Accounts	For the nine months ended December 31, 2016	For the nine months ended December 31, 2017
Cash flows from operating activities		
Income before income taxes	256,569	308,299
Depreciation and amortization	67,541	69,735
Amortization of goodwill	5,070	5,070
Provision for allowance for recoverable accounts under production sharing	970	(14,767)
Provision for exploration projects	(493)	(163)
Other provisions	(1,912)	5,895
Liability for retirement benefits	(20)	60
Interest and dividend income	(10,560)	(8,617)
Interest expense	3,705	5,080
Foreign exchange loss (gain)	(1,394)	(741)
Equity in losses (earnings) of affiliates	(523)	(2,646)
Recovery of recoverable accounts under production sharing (capital expenditures)	61,268	52,264
Recoverable accounts under production sharing (operating expenditures)	(4,300)	4,801
Accounts receivable-trade	(22,876)	(21,819)
Inventories	6,862	(4,139)
Accounts payable-trade	318	(396)
Other	1,785	23,238
Subtotal	362,010	421,152
Interest and dividends received	15,055	21,528
Interest paid	(2,348)	(2,284)
Income taxes paid	(188,890)	(228,467)
Net cash provided by (used in) operating activities	185,827	211,929

(Millions of yen)

Accounts	For the nine months ended December 31, 2016	For the nine months ended December 31, 2017
Cash flows from investing activities		
Payments for time deposits	(355,238)	(261,936)
Proceeds from time deposits	650,928	579,092
Payments for purchases of tangible fixed assets	(213,804)	(204,399)
Proceeds from sales of tangible fixed assets	3,174	62
Payments for purchases of intangible assets	(19,462)	(1,193)
Payments for purchases of investment securities	(13,970)	(128,499)
Investment in recoverable accounts under production sharing (capital expenditures)	(33,910)	(19,827)
Decrease (increase) in short-term loans receivable	(2,344)	457
Long-term loans made	(131,328)	(112,237)
Collection of long-term loans receivable	254	253
Other	24,147	12,067
Net cash provided by (used in) investing activities	(91,553)	(136,161)
Cash flows from financing activities		
Increase (decrease) in commercial papers	96,999	—
Increase (decrease) in short-term loans	(23)	(40)
Proceeds from long-term debt	11,760	77,612
Repayments of long-term debt	(58,323)	(34,124)
Proceeds from non-controlling interests for additional shares	8,967	—
Cash dividends paid	(26,292)	(26,294)
Cash dividends paid to non-controlling interests	(3,939)	(2,523)
Other	(64)	(61)
Net cash provided by (used in) financing activities	29,085	14,567
Effect of exchange rate changes on cash and cash equivalents	3,717	787
Net increase (decrease) in cash and cash equivalents	127,076	91,123
Cash and cash equivalents at beginning of the period	53,813	316,790
Cash and cash equivalents at end of the period	180,889	407,914

(4) Notes to Consolidated Financial Statements

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

For the nine months ended December 31, 2017 (April 1, 2017 through December 31, 2017):

None

(Note on significant changes in shareholders' equity)

For the nine months ended December 31, 2017 (April 1, 2017 through December 31, 2017):

None

(Segment information)

I. For the nine months ended December 31, 2016 (April 1, 2016 through December 31, 2016)

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

(Millions of yen)

	Reportable segments						Adjustments *1	Consolidated *2
	Japan	Asia & Oceania	Eurasia (Europe & NIS)	Middle East & Africa	Americas	Total		
Net sales								
Sales to third parties	68,456	159,001	47,214	341,135	7,681	623,489	—	623,489
Intercompany sales and transfers between segments	—	—	—	—	—	—	—	—
Total	68,456	159,001	47,214	341,135	7,681	623,489	—	623,489
Segment income (loss)	6,347	35,798	10,291	197,141	(7,149)	242,429	(6,620)	235,808

Note: 1. Adjustments of segment income of ¥(6,620) million include elimination of inter-segment transactions of ¥9 million and corporate expenses of ¥(6,629) million. Corporate expenses are mainly amortization of goodwill and general administrative expenses that are not allocated to a reportable segment.

2. Segment income is reconciled with operating income on the consolidated statement of income.

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

None

II. For the nine months ended December 31, 2017 (April 1, 2017 through December 31, 2017)

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

(Millions of yen)

	Reportable segments						Adjustments *1	Consolidated *2
	Japan	Asia & Oceania	Eurasia (Europe & NIS)	Middle East & Africa	Americas	Total		
Net sales								
Sales to third parties	82,217	131,698	66,363	415,199	8,188	703,667	—	703,667
Intercompany sales and transfers between segments	—	—	—	—	—	—	—	—
Total	82,217	131,698	66,363	415,199	8,188	703,667	—	703,667
Segment income (loss)	18,685	28,405	19,417	236,189	(4,483)	298,214	(10,315)	287,899

Note: 1. Adjustments of segment income of ¥(10,315) million include elimination of inter-segment transactions of ¥12 million and corporate expenses of ¥(10,327) million. Corporate expenses are mainly amortization of goodwill and general administrative expenses that are not allocated to a reportable segment.

2. Segment income is reconciled with operating income on the consolidated statement of income.

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

None

(Subsequent events)

For the nine months ended December 31, 2017 (April 1, 2017 through December 31, 2017):

None

3. Supplementary Information

(1) Production, Orders Received and Sales Performance

1) Actual production

The following table shows actual production by segment:

Segment	Category	For the nine months ended December 31, 2016	For the nine months ended December 31, 2017
Japan	Crude oil	0.9 MMbbls (3.2 Mbbls per day)	1.0 MMbbls (3.7 Mbbls per day)
	Natural gas	33.0 Bcf (120.2 MMcf per day)	40.1 Bcf (145.7 MMcf per day)
	Subtotal	7.1 MMboe (25.8 Mboe per day)	8.5 MMboe (31.1 Mboe per day)
	Iodine	422.9 tons	415.4 tons
	Electric power generation	149.4 million kWh	143.7 million kWh
Asia & Oceania	Crude oil	10.2 MMbbls (37.1 Mbbls per day)	7.1 MMbbls (25.9 Mbbls per day)
	Natural gas	184.7 Bcf (671.5 MMcf per day)	125.4 Bcf (456.1 MMcf per day)
	Subtotal	44.9 MMboe (163.4 Mboe per day)	30.7 MMboe (111.6 Mboe per day)
	Electric power generation	—	149.8 million kWh
Eurasia (Europe & NIS)	Crude oil	8.3 MMbbls (30.0 Mbbls per day)	11.3 MMbbls (41.0 Mbbls per day)
	Natural gas	0.6 Bcf (2.0 MMcf per day)	5.6 Bcf (20.4 MMcf per day)
	Subtotal	8.4 MMboe (30.4 Mboe per day)	12.3 MMboe (44.6 Mboe per day)
	Sulfur	—	3.9 Mtons
Middle East & Africa	Crude oil	74.3 MMbbls (270.1 Mbbls per day)	71.7 MMbbls (260.6 Mbbls per day)
Americas	Crude oil	2.1 MMbbls (7.6 Mbbls per day)	1.6 MMbbls (5.6 Mbbls per day)
	Natural gas	32.1 Bcf (116.9 MMcf per day)	29.9 Bcf (108.9 MMcf per day)
	Subtotal	7.9 MMboe (28.6 Mboe per day)	6.9 MMboe (25.1 Mboe per day)
Total	Crude oil	95.7 MMbbls (348.0 Mbbls per day)	92.6 MMbbls (336.8 Mbbls per day)
	Natural gas	250.4 Bcf (910.6 MMcf per day)	201.1 Bcf (731.1 MMcf per day)
	Subtotal	142.5 MMboe (518.3 Mboe per day)	130.1 MMboe (473.0 Mboe per day)
	Iodine	422.9 tons	415.4 tons
	Electric power generation	149.4 million kWh	293.5 million kWh
	Sulfur	—	3.9 Mtons

Note: 1. The volume of LPG produced overseas is included in 'Crude oil.'

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

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

Also the production volume is a result for the nine months ended December 31 regardless of a closing date of fiscal periods of its subsidiaries or affiliates.

4. The production volume of crude oil and natural gas under the production sharing contracts entered into by INPEX Group corresponds to the net economic take of the group.

Figures calculated by multiplying the gross production volume by the Company's interest share are 114.0 MMbbls (414.6 Mbbls per day) of crude oil, 313.6 Bcf (1,140.5 MMcf per day) of natural gas, and in total 172.8 MMboe (628.3 Mboe per day) for the nine months ended December 31, 2016, and 108.0 MMbbls (392.7 Mbbls per day) of crude oil, 245.4 Bcf (892.2 MMcf per day) of natural gas, and in total 153.7 MMboe (559.0 Mboe per day) for the nine months ended December 31, 2017.

5. Boe means barrels of oil equivalent.

6. Iodine is refined by other company on consignment.

7. Figures are rounded to one 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 December 31, 2016		For the nine months ended December 31, 2017	
		Sales volume	Net sales	Sales volume	Net sales
Japan	Crude oil	598 Mbbls	3,160	703 Mbbls	4,483
	Natural gas (excluding LPG)	48,249 MMcf	55,737	54,859 MMcf	67,745
	LPG	4 Mbbls	20	4 Mbbls	26
	Other		9,537		9,962
	Subtotal		68,456		82,217
Asia & Oceania	Crude oil	9,779 Mbbls	46,901	6,135 Mbbls	39,685
	Natural gas (excluding LPG)	172,518 MMcf	106,541	122,453 MMcf	86,558
	LPG	1,621 Mbbls	5,558	1,090 Mbbls	5,454
	Subtotal		159,001		131,698
Eurasia (Europe & NIS)	Crude oil	9,258 Mbbls	47,147	10,250 Mbbls	65,377
	Natural gas (excluding LPG)	511 MMcf	66	5,688 MMcf	964
	Other		—		21
	Subtotal		47,214		66,363
Middle East & Africa	Crude oil	71,489 Mbbls	341,135	69,378 Mbbls	415,199
Americas	Crude oil	1,619 Mbbls	6,023	1,314 Mbbls	6,487
	Natural gas (excluding LPG)	28,619 MMcf	1,657	30,168 MMcf	1,701
	Subtotal		7,681		8,188
Total	Crude oil	92,741 Mbbls	444,369	87,781 Mbbls	531,233
	Natural gas (excluding LPG)	249,896 MMcf	164,003	213,169 MMcf	156,970
	LPG	1,625 Mbbls	5,579	1,094 Mbbls	5,480
	Other		9,537		9,984
	Total		623,489		703,667

Note: 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 results for the nine months ended September 30 except those subsidiaries prepared their financial statements 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 the nearest whole number.