

Consolidated Financial Results for the Three Months ended March 31, 2020 [Japanese GAAP]

May 12, 2020

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 : Yes

(Amounts less than one million yen are rounded off)

1. Consolidated Financial Results for the Three Months ended March 31, 2020 (January 1, 2020-March 31, 2020)

(1) Consolidated operating results

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

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
For the three months ended								
March 31, 2020	249,669	—	100,878	—	107,728	—	33,572	—
June 30, 2019	287,401	42.0	146,277	40.7	130,968	12.7	29,696	76.6

(Note): Consolidated comprehensive income: for the three months ended March 31, 2020, ¥(29,675) million; (—%)
 for the three months ended June 30, 2019, ¥(31,884) million; (—%)

	Net income per share—basic		Net income per share—diluted	
	Yen		Yen	
For the three months ended				
March 31, 2020	22.99		—	
June 30, 2019	20.34		—	

(Note): The Company changed its consolidated fiscal year-end from March 31 to December 31, effective from the previous fiscal year. As a result, the first quarter (January 1, 2020 to March 31, 2020) of the fiscal year ending December 31, 2020 differs from the corresponding first quarter (April 1, 2019 to June 30, 2019) of the fiscal year ended December 31, 2019. On this basis, percentage data for changes between the first quarter of the fiscal year ended December 31, 2019 and the first quarter of the fiscal year ending December 31, 2020 have not been provided.

[Reference]

Percentage figures below (adjusted % increase/decrease) represent year-on-year changes between the three-month period from January 1, 2020 to March 31, 2020 and the corresponding period of the previous year, the three-month period from January 1, 2019 to March 31, 2019.

(Millions of yen)

Net Sales	Operating income	Ordinary income	Net income attributable to owners of parent
249,669 (7.3)%	100,878 (16.5)%	107,728 (19.8)%	33,572 (31.9)%

(2) Consolidated financial position

	Total assets	Net assets	Net assets excluding non-controlling interests as a percentage of total assets
	Millions of Yen	Millions of Yen	%
As of March 31, 2020	4,722,717	3,238,725	63.2
As of December 31, 2019	4,849,995	3,297,176	62.7

(Reference): Net assets excluding non-controlling interests: as of March 31, 2020, ¥2,986,081 million
 as of December 31, 2019, ¥3,040,775 million

2. Dividends

	Cash dividends per share				
	At 1st quarter end	At 2nd quarter end	At 3rd quarter end	At fiscal year end	Total
	Yen	Yen	Yen	Yen	Yen
For the year ended December 31, 2019	—	12.00	—	18.00	30.00
For the year ending December 31, 2020	—				
For the year ending December 31, 2020 (forecast)		12.00	—	12.00	24.00

(Note): 1. Changes in projected dividends for the year ending December 31, 2020 from the previous forecast: Yes

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. For information regarding revision of dividend forecast, please refer to the press release "Announcement of Revision of Consolidated Financial Forecasts for the Six Months Ending June 30, 2020 and Fiscal Year Ending December 31, 2020 as well as Dividend Forecast" issued today (May 12, 2020).

3. Forecasted Consolidated Financial Results for the year ending December 31, 2020 (January 1, 2020-December 31, 2020)

(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 six months ending June 30, 2020	408,000	—	133,000	—	145,000	—	35,000	—	23.97
For the year ending December 31, 2020	710,000	—	172,000	—	163,000	—	10,000	—	6.85

(Note): Changes in forecasted consolidated financial results for the year ending December 31, 2020 from the previous forecast: Yes

Due to the change in the Company's fiscal year-end from March 31 to December 31, the consolidated accounting period of the Company and its subsidiaries with provisional settlements of accounts for the fiscal year ended December 31, 2019 is the nine-month period between April 1 and December 31, 2019. Meanwhile, the accounting period (for the same fiscal year) of subsidiaries with a December 31 fiscal year-end is the normal, twelve-month period between January 1 and December 31, 2019. Therefore, percentage changes from the previous fiscal year and a year-on-year quarterly comparison are not provided

[Reference]

Percentage figures below for the six months ending June 30, 2020 (after adjustment) represent the year-on-year percentage changes between the financial results of the Company, its subsidiaries with provisional settlements of accounts and its subsidiaries with a December 31 fiscal year-end for the period between January 1 and June 30, 2019 and the forecasted consolidated financial results (of these entities) for the period between January 1 and June 30, 2020.

Percentage figures below for the year ending December 31, 2020 (after adjustment) represent the year-on-year percentage changes between the financial results of the Company, its subsidiaries with provisional settlements of accounts and its subsidiaries with a December 31 fiscal year-end for the period between January 1 and December 31, 2019 and the forecasted consolidated financial results (of these entities) for the period between January 1 and December 31, 2020.

	(Millions of yen)							
	Net Sales		Operating income		Ordinary income		Net income attributable to owners of parent	
For the six months ending June 30, 2020	408,000	(27.6)%	133,000	(50.6)%	145,000	(46.4)%	35,000	(57.6)%
For the year ending December 31, 2020	710,000	(39.4)%	172,000	(69.2)%	163,000	(72.1)%	10,000	(94.0)%

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 1,462,323,600 shares as of March 31, 2020
(including treasury stock): 1,462,323,600 shares as of December 31, 2019
 2. Number of treasury stock at the end of the period: 2,120,969 shares as of March 31, 2020
2,121,916 shares as of December 31, 2019
 3. Average number of shares: 1,460,201,920 shares for the three months ended March 31, 2020
1,460,199,941 shares for the three months ended June 30, 2019

(Note): The shares held by "the Board Incentive Plan Trust" are included in number of treasury stock at end of period.
(As of March 31, 2020: 154,469 shares As of December 31, 2019: 155,416 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. 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 December 31, 2019	—	4,800.00	—	7,200.00	12,000.00
For the year ending December 31, 2020	—				
For the year ending December 31, 2020 (forecast)		4,800.00	—	4,800.00	9,600.00

- (Note) 1. 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.
2. For information regarding revision of dividend forecast, please refer to the press release "Announcement of Revision of Consolidated Financial Forecasts for the Six Months Ending June 30, 2020 and Fiscal Year Ending December 31, 2020 as well as Dividend Forecast" issued today (May 12, 2020).

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1. Qualitative Information/Financial Statements

(1) Explanation on Consolidated Financial Results

The Company and its subsidiaries unified their fiscal year-ends to December 31, effective from the previous fiscal year.

Changes displayed hereinafter are based on the comparison to the corresponding period of the previous year, which is comprised of the three-month results (January 1 - March 31, 2019).

	Corresponding Period of the Previous Year	For the three months ended March 31, 2020	Change	% Change
Net sales	269,200	249,669	(19,530)	(7.3)
Operating income	120,771	100,878	(19,892)	(16.5)
Ordinary income	134,248	107,728	(26,519)	(19.8)
Net income attributable to owners of parent	49,292	33,572	(15,720)	(31.9)

Net sales for the three months ended March 31, 2020 decreased by ¥19.5 billion, or 7.3%, to ¥249.6 billion from the corresponding period of the previous year due to a decrease in sales price of crude oil, despite an increase in sales volume.

Net sales of crude oil decreased by ¥36.1 billion, or 18.1%, to ¥163.0 billion, and net sales of natural gas increased by ¥17.9 billion, or 27.9%, to ¥82.1 billion.

Sales volume of crude oil decreased by 87 thousand barrels, or 0.3%, to 28,261 thousand barrels. Sales volume of natural gas increased by 34,231 million cf, or 39.3%, to 121,252 million cf. Sales volume of overseas natural gas increased by 34,717 million cf, or 55.0%, to 97,797 million cf, and sales volume of domestic natural gas decreased by 13 million m³, or 2.0%, to 628 million m³ (23,455 million cf).

The average sales price of overseas crude oil decreased by US\$10.84, or 17.0%, to US\$52.81 per barrel. In addition, the average sales price of overseas natural gas increased by US\$0.85, or 22.5%, to US\$4.63 per thousand cf. Meanwhile, the average sales price of domestic natural gas decreased by ¥7.42, or 12.8%, to ¥50.69 per m³. The average exchange rate of the Japanese yen against the U.S. dollar on consolidated net sales appreciated by ¥1.24, or 1.1%, to ¥109.16 per U.S. dollar from the corresponding period of the previous year.

The decrease of ¥19.5 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 ¥13.5 billion to the increase, a decrease in unit sales price pushing sales down of ¥29.3 billion, the appreciation of the Japanese yen against the U.S. dollar pushing sales down of ¥2.4 billion, and a decrease in net sales excluding crude oil and natural gas of ¥1.3 billion.

Cost of sales for the three months ended March 31, 2020 increased by ¥7.1 billion, or 5.8%, to ¥129.2 billion. Exploration expenses decreased by ¥7.2 billion, or 89.0%, to ¥0.9 billion. Selling, general and administrative expenses increased by ¥0.4 billion, or 2.7%, to ¥18.5 billion. As a result, operating income decreased by ¥19.8 billion, or 16.5%, to ¥100.8 billion.

Other income increased by ¥2.6 billion, or 11.4%, to ¥25.7 billion. Other expenses increased by ¥9.2 billion, or 96.0%, to ¥18.9 billion due mainly to increases in loss on valuation of investment securities and others. As a result, ordinary income decreased ¥26.5 billion, or 19.8%, to ¥107.7 billion.

Extraordinary loss decreased by ¥5.5 billion due to the absence of impairment loss. Total amount of current income taxes and deferred income taxes decreased by ¥12.3 billion, or 14.1%, to ¥75.3 billion, and net loss attributable to non-controlling interests was ¥1.1 billion. As a result of the above effects, net income attributable to owners of parent for the three months ended March 31, 2020 decreased by ¥15.7 billion, or 31.9%, to ¥33.5 billion.

Financial results by segment are as follows:

(Millions of yen)

Segment	Net sales			Segment income (loss)		
	Corresponding Period of the Previous Year	For the three months ended March 31, 2020	% Change	Corresponding Period of the Previous Year	For the three months ended March 31, 2020	% Change
Japan	44,482	37,629	(15.4)	7,607	7,278	(4.3)
Asia & Oceania	45,824	74,949	63.6	20,036	30,737	53.4
Eurasia (Europe & NIS)	28,278	16,529	(41.5)	5,901	(2,098)	—
Middle East & Africa	148,101	115,174	(22.2)	90,732	68,702	(24.3)
Americas	2,512	5,386	114.4	(1,531)	(25)	(98.4)
Total	269,200	249,669	(7.3)	122,746	104,595	(14.8)
Adjustments	—	—	—	(1,974)	(3,716)	88.2
Consolidated	269,200	249,669	(7.3)	120,771	100,878	(16.5)

1) Japan

Net sales decreased by ¥6.8 billion, or 15.4%, to ¥37.6 billion due to a decrease in sales price of natural gas. Operating income decreased by ¥0.3 billion, or 4.3%, to ¥7.2 billion.

2) Asia & Oceania

Net sales increased by ¥29.1 billion, or 63.6%, to ¥74.9 billion due to an increase in sales volume. Operating income increased by ¥10.7 billion, or 53.4%, to ¥30.7 billion.

3) Eurasia (Europe & NIS)

Net sales decreased by ¥11.7 billion, or 41.5%, to ¥16.5 billion due to a decrease in sales price of crude oil. Operating loss totaled ¥2.0 billion compared with ¥5.9 billion of operating income for the corresponding period of the previous year.

4) Middle East & Africa

Net sales decreased by ¥32.9 billion, or 22.2%, to ¥115.1 billion due to a decrease in sales price of crude oil. Operating income decreased by ¥22.0 billion, or 24.3%, to ¥68.7 billion.

5) Americas

Net sales increased by ¥2.8 billion, or 114.4%, to ¥5.3 billion due to an increase in sales volume. Operating loss decreased by ¥1.5 billion, or 98.4%, to ¥20 million.

(2) Explanation on Consolidated Financial Position

Total assets as of March 31, 2020 decreased by ¥127.2 billion to ¥4,722.7 billion from ¥4,849.9 billion as of December 31, 2019. Current assets decreased by ¥33.5 billion to ¥386.2 billion due to decreases in account receivable-trade and others. Fixed assets decreased by ¥93.7 billion to ¥4,336.4 billion due to decreases in tangible fixed assets, investments and other assets and others.

Meanwhile, total liabilities decreased by ¥68.8 billion to ¥1,483.9 billion from ¥1,552.8 billion as of December 31, 2019. Current liabilities decreased by ¥40.1 billion to ¥361.3 billion and long-term liabilities decreased by ¥28.6 billion to ¥1,122.6 billion.

Net assets decreased by ¥58.4 billion to ¥3,238.7 billion. Total shareholders' equity increased by ¥7.2 billion to ¥2,730.0 billion. Total accumulated other comprehensive income decreased by ¥61.9 billion to ¥256.0 billion and non-controlling interests in net assets decreased by ¥3.7 billion to ¥252.6 billion.

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

The crude oil price outlook remains uncertain as a result of factors including the reduction in global energy demand due to the impact of the growing number of COVID-19 cases. The forecasted consolidated financial results for the six months ending June 30, 2020 and the year ending December 31, 2020 have been revised from those announced on February 12, 2020, taking into consideration factors including the consolidated financial results for the three months ended March 31, 2020.

Forecasts for consolidated financial results for the six months ending June 30, 2020 (Millions of yen)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent
Previous Forecasts: A	606,000	257,000	272,000	70,000
Revised Forecasts: B	408,000	133,000	145,000	35,000
Increase (Decrease): B-A	(198,000)	(124,000)	(127,000)	(35,000)
Percentage change (%)	(32.7)	(48.2)	(46.7)	(50.0)

Forecasts for consolidated financial results for the year ending December 31, 2020 (Millions of yen)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent
Previous Forecasts: A	1,204,000	499,000	536,000	145,000
Revised Forecasts: B	710,000	172,000	163,000	10,000
Increase (Decrease): B-A	(494,000)	(327,000)	(373,000)	(135,000)
Percentage change (%)	(41.0)	(65.5)	(69.6)	(93.1)

Note: Due to the substantial decline in crude oil prices, the Company is currently reevaluating the assets of the INPEX Group. The Company may recognize impairment losses on some assets mainly consisting of producing projects, depending on the outlook of crude oil prices and project plan reviews, etc. The Company will issue an announcement as soon as it determines that the Company's financial results are expected to be impacted.

The above forecasts are calculated based on the following assumptions:

	Previous Forecasts	Revised Forecasts
Crude oil price (Brent)	Full Year: US\$ 60.0/bbl (Average)	1st quarter (actual): US\$ 50.8/bbl From 2nd quarter: US\$ 30.0/bbl Full Year: US\$ 35.2/bbl (Average)
Exchange rate	Full Year: ¥110.0/US\$ (Average)	1st quarter (actual): ¥108.9/US\$ From 2nd quarter: ¥110.0/US\$ Full Year: ¥109.7/US\$ (Average)

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, 2019	As of March 31, 2020
(Assets)		
Current assets		
Cash and deposits	173,798	201,133
Accounts receivable-trade	148,765	75,501
Inventories	38,987	40,320
Other	72,020	82,069
Less allowance for doubtful accounts	(13,768)	(12,790)
Total current assets	419,802	386,234
Fixed assets		
Tangible fixed assets		
Buildings and structures, net	177,320	175,228
Wells, net	261,931	294,052
Machinery, equipment and vehicles, net	1,254,865	1,326,027
Land	18,596	18,587
Construction in progress	552,866	425,544
Other, net	9,790	9,752
Total tangible fixed assets	2,275,372	2,249,193
Intangible assets		
Goodwill	42,206	40,516
Other	493,124	487,445
Total intangible assets	535,330	527,962
Investments and other assets		
Investment securities	378,527	316,999
Long-term loans receivable	718,976	722,294
Recoverable accounts under production sharing	568,377	568,209
Other	23,718	23,340
Less allowance for doubtful accounts	(818)	(580)
Less allowance for recoverable accounts under production sharing	(66,897)	(68,534)
Less allowance for investments in exploration	(2,395)	(2,400)
Total investments and other assets	1,619,489	1,559,327
Total fixed assets	4,430,192	4,336,482
Total assets	4,849,995	4,722,717

(Millions of yen)

Accounts	As of December 31, 2019	As of March 31, 2020
(Liabilities)		
Current liabilities		
Accounts payable-trade	21,798	21,314
Short-term loans	166,831	165,463
Commercial papers	—	18,000
Income taxes payable	43,190	3,784
Accrued bonuses	1,334	—
Accrued bonuses to officers	108	27
Provision for loss on business	8,635	9,495
Provision for exploration projects	11,808	7,515
Asset retirement obligations	780	519
Other	146,996	135,203
Total current liabilities	401,483	361,323
Long-term liabilities		
Long-term debt	950,948	916,657
Provision for stocks payment	42	49
Accrued special repair and maintenance	537	522
Liability for retirement benefits	8,011	7,974
Asset retirement obligations	136,101	134,078
Other	55,694	63,385
Total long-term liabilities	1,151,334	1,122,668
Total liabilities	1,552,818	1,483,991
(Net assets)		
Shareholders' equity		
Common stock	290,809	290,809
Capital surplus	674,374	674,374
Retained earnings	1,763,034	1,770,321
Treasury stock	(5,432)	(5,430)
Total shareholders' equity	2,722,786	2,730,074
Accumulated other comprehensive income		
Unrealized holding gain (loss) on securities	5,570	1,293
Unrealized gain (loss) from hedging instruments	(18,128)	(63,858)
Translation adjustments	330,546	318,572
Total accumulated other comprehensive income	317,988	256,007
Non-controlling interests	256,400	252,643
Total net assets	3,297,176	3,238,725
Total liabilities and net assets	4,849,995	4,722,717

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

(Millions of yen)

Accounts	For the three months ended June 30, 2019	For the three months ended March 31, 2020
Net sales	287,401	249,669
Cost of sales	121,345	129,294
Gross profit	166,056	120,374
Exploration expenses	2,050	904
Selling, general and administrative expenses	17,727	18,591
Operating income	146,277	100,878
Other income		
Interest income	1,025	445
Dividend income	2,001	4,586
Equity in earnings of affiliates	—	15,249
Foreign exchange gain	—	3,239
Other	2,807	2,257
Total other income	5,834	25,778
Other expenses		
Interest expense	7,610	6,036
Equity in losses of affiliates	6,211	—
Provision for allowance for recoverable accounts under production sharing	1,051	1,659
Loss on valuation of investment securities	551	9,202
Foreign exchange loss	4,590	—
Other	1,127	2,031
Total other expenses	21,143	18,928
Ordinary income	130,968	107,728
Income before income taxes	130,968	107,728
Income taxes-current	100,776	67,430
Income taxes-deferred	(897)	7,871
Total income taxes	99,879	75,301
Net income	31,088	32,426
Net income (loss) attributable to non-controlling interests	1,392	(1,145)
Net income attributable to owners of parent	29,696	33,572

Consolidated Statement of Comprehensive Income

(Millions of yen)

Accounts	For the three months ended June 30, 2019	For the three months ended March 31, 2020
Net income	31,088	32,426
Other comprehensive income		
Unrealized holding gain (loss) on securities	(665)	(4,257)
Unrealized gain (loss) from hedging instruments	—	192
Translation adjustments	(40,380)	(11,666)
Share of other comprehensive income of associates accounted for by the equity method	(21,927)	(46,371)
Total other comprehensive income	(62,973)	(62,102)
Comprehensive income	(31,884)	(29,675)
Total comprehensive income attributable to		
Owners of parent	(33,284)	(28,408)
Non-controlling interests	1,400	(1,266)

(3) Notes to Consolidated Financial Statements

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

For the three months ended March 31, 2020 (January 1, 2020 through March 31, 2020):

None

(Note on significant changes in shareholders' equity)

For the three months ended March 31, 2020 (January 1, 2020 through March 31, 2020):

None

(Segment information)

I. For the three months ended June 30, 2019 (April 1, 2019 through June 30, 2019)

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	32,560	72,992	18,677	160,658	2,512	287,401	—	287,401
Intercompany sales and transfers between segments	—	—	—	—	—	—	—	—
Total	32,560	72,992	18,677	160,658	2,512	287,401	—	287,401
Segment income (loss)	6,820	37,374	4,477	102,357	(378)	150,651	(4,373)	146,277

Note:1. Adjustments of segment income of ¥(4,373) million are corporate expenses. Corporate expenses are mainly amortization of goodwill and general administrative expenses that are not allocated to a reportable segment.

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

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

None

II. For the three months ended March 31, 2020 (January 1, 2020 through March 31, 2020)

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	37,629	74,949	16,529	115,174	5,386	249,669	—	249,669
Intercompany sales and transfers between segments	—	2,193	—	—	—	2,193	(2,193)	—
Total	37,629	77,143	16,529	115,174	5,386	251,863	(2,193)	249,669
Segment income (loss)	7,278	30,737	(2,098)	68,702	(25)	104,595	(3,716)	100,878

Note:1. Adjustments of segment income of ¥(3,716) million are corporate expenses. Corporate expenses are mainly amortization of goodwill and general administrative expenses that are not allocated to a reportable segment.

2. Segment income 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 three months ended March 31, 2020 (January 1, 2020 through March 31, 2020):

None

3. Supplementary Information

(1) Production, Orders Received and Sales Performance

1) Actual production

The following table shows actual production by segment:

Segment	Category	Corresponding period of the previous year *8	For the three months ended March 31, 2020
Japan	Crude oil	0.3 MMbbls (3.7 Mbbls per day)	0.3 MMbbls (3.2 Mbbls per day)
	Natural gas	12.2 Bcf (135.9 MMcf per day)	11.0 Bcf (120.7 MMcf per day)
	Subtotal	2.6 MMboe (29.2 Mboe per day)	2.4 MMboe (25.9 Mboe per day)
	Iodine	144.6 tons	139.6 tons
	Electric power generation	56.4 million kWh	55.5 million kWh
Asia & Oceania	Crude oil	3.6 MMbbls (40.0 Mbbls per day)	4.2 MMbbls (45.9 Mbbls per day)
	Natural gas	74.6 Bcf (828.6 MMcf per day)	96.5 Bcf (1,060.1 MMcf per day)
	Subtotal	17.9 MMboe (199.1 Mboe per day)	22.7 MMboe (249.5 Mboe per day)
	Electric power generation	78.5 million kWh	108.6 million kWh
Eurasia (Europe & NIS)	Crude oil	4.3 MMbbls (47.9 Mbbls per day)	5.2 MMbbls (57.2 Mbbls per day)
	Natural gas	2.6 Bcf (28.5 MMcf per day)	2.7 Bcf (29.6 MMcf per day)
	Subtotal	4.8 MMboe (52.9 Mboe per day)	5.7 MMboe (62.5 Mboe per day)
	Sulfur	24.1 Mtons	24.6 Mtons
Middle East & Africa	Crude oil	20.6 MMbbls (229.0 Mbbls per day)	23.3 MMbbls (256.4 Mbbls per day)
Americas	Crude oil	0.3 MMbbls (3.2 Mbbls per day)	0.8 MMbbls (9.3 Mbbls per day)
	Natural gas	7.1 Bcf (78.5 MMcf per day)	4.5 Bcf (50.0 MMcf per day)
	Subtotal	1.6 MMboe (17.7 Mboe per day)	1.7 MMboe (18.6 Mboe per day)
Total	Crude oil	29.1 MMbbls (323.8 Mbbls per day)	33.9 MMbbls (372.0 Mbbls per day)
	Natural gas	96.4 Bcf (1,071.5 MMcf per day)	114.7 Bcf (1,260.4 MMcf per day)
	Subtotal	47.5 MMboe (528.0 Mboe per day)	55.8 MMboe (612.9 Mboe per day)
	Iodine	144.6 tons	139.6 tons
	Electric power generation	135.0 million kWh	164.1 million kWh
	Sulfur	24.1 Mtons	24.6 Mtons

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

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

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

Also the production volume is a result for the three months ended March 31 regardless of 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 32.6 MMbbls (362.7 Mbbls per day) of crude oil, 104.0 Bcf (1,155.7 MMcf per day) of natural gas, and in total 53.0 MMboe (589.4 Mboe per day) for the three months ended March 31, 2019, and 36.7 MMbbls (403.4 Mbbls per day) of crude oil, 119.2 Bcf (1,309.4 MMcf per day) of natural gas, and in total 59.4 MMboe (653.0 Mboe per day) for the three months ended March 31, 2020.

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.

8. The corresponding period for the first quarter of the fiscal year ending December 31, 2020 from January 1, 2020 to March 31, 2020 is the three-month period of the previous year from January 1, 2019 to March 31, 2019.

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	Corresponding period of the previous year *2		For the three months ended March 31, 2020	
		Sales volume	Net sales	Sales volume	Net sales
Japan	Crude oil	200 Mbbls	1,400	176 Mbbls	1,135
	Natural gas (excluding LPG)	23,941 MMcf	37,279	23,455 MMcf	31,854
	LPG	1 Mbbls	5	1 Mbbls	4
	Other		5,797		4,635
	Subtotal		44,482		37,629
Asia & Oceania	Crude oil	3,054 Mbbls	20,929	4,058 Mbbls	26,071
	Natural gas (excluding LPG)	53,457 MMcf	24,268	90,207 MMcf	47,970
	LPG	71 Mbbls	625	118 Mbbls	907
	Subtotal		45,824		74,949
Eurasia (Europe & NIS)	Crude oil	3,949 Mbbls	27,789	3,831 Mbbls	16,120
	Natural gas (excluding LPG)	2,571 MMcf	511	2,716 MMcf	585
	Other		(22)		(176)
	Subtotal		28,278		16,529
Middle East & Africa	Crude oil	20,979 Mbbls	148,101	19,240 Mbbls	115,174
Americas	Crude oil	166 Mbbls	950	956 Mbbls	4,527
	Natural gas (excluding LPG)	7,051 MMcf	1,562	4,873 MMcf	859
	Subtotal		2,512		5,386
Total	Crude oil	28,348 Mbbls	199,171	28,261 Mbbls	163,028
	Natural gas (excluding LPG)	87,020 MMcf	63,622	121,252 MMcf	81,269
	LPG	72 Mbbls	630	118 Mbbls	911
	Other		5,775		4,458
	Total		269,200		249,669

Note: 1. The above amounts do not include the related consumption tax.

2. The corresponding period for the first quarter of the fiscal year ending December 31, 2020 from January 1, 2020 to March 31, 2020 is the three-month period of the previous year from January 1, 2019 to March 31, 2019.

3. Sales volumes are rounded to the nearest whole number.