



Consolidated Financial Results for the Nine Months ended September 30, 2022 [Japanese GAAP]

November 8, 2022

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 <https://www.inpex.co.jp>
 Representative : Takayuki Ueda, President
 Contact person : Yoshihiro Wakita, General Manager, Corporate Communications Unit
 TEL +81-3-5572-0233

Scheduled date of filing Quarterly Financial Report : November 9, 2022

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, 2022 (January 1, 2022 - September 30, 2022)

(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, 2022	1,698,743	100.0	915,892	127.6	1,027,661	140.5	267,429	94.2
September 30, 2021	849,214	43.3	402,376	110.3	427,269	114.7	137,722	–

(Note): Consolidated comprehensive income: for the nine months ended September 30, 2022, ¥964,243 million; [190.3%]
 for the nine months ended September 30, 2021, ¥332,138 million; [–%]

	Net income per share-basic	Net income per share-diluted
For the nine months ended September 30, 2022	Yen 193.66	Yen –
September 30, 2021	94.32	–

(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, 2022	6,840,511	4,190,518	57.7
As of December 31, 2021	5,158,196	3,346,409	60.6

(Reference): Net assets excluding non-controlling interests: as of September 30, 2022, ¥3,947,818 million
 as of December 31, 2021, ¥3,124,065 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, 2021	—	20.00	—	28.00	48.00
For the year ending December 31, 2022	—	30.00	—		
For the year ending December 31, 2022 (forecast)				30.00	60.00

(Notes): 1. Changes in projected dividends for the year ending December 31, 2022 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, 2022 (January 1, 2022 - December 31, 2022)

(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		Net income per share
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
For the year ending December 31, 2022	2,302,000	85.0	1,241,000	110.1	1,370,000	108.3	400,000	79.3	292.58

(Notes): 1. Changes in forecasts for consolidated financial results for the year ending December 31, 2022 from the previous forecast: Yes

2. The effect of the acquisition of own shares decided at the meeting of the Board of Directors held on August 8, 2022 is taken into account in the calculation of "Net income per share."

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 : Yes
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) and (Changes in Accounting Estimates)" on pages 8 and 9 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, 2022
1,462,323,600 shares as of December 31, 2021
2. Number of treasury stock at the end of the period: 37,619,463 shares as of September 30, 2022
75,805,993 shares as of December 31, 2021
3. Average number of shares: 1,380,953,337 shares for the nine months ended September 30, 2022
1,460,206,019 shares for the nine months ended September 30, 2021

(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, 2022: 910,363 shares As of December 31, 2021: 149,593 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, 2021	–	8,000.00	–	11,200.00	19,200.00
For the year ending December 31, 2022	–	12,000.00	–		
For the year ending December 31, 2022 (forecast)				12,000.00	24,000.00

(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.

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	3
2. Consolidated Financial Statements and Principal Notes.....	4
(1) Consolidated Balance Sheet.....	4
(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income	6
Consolidated Statement of Income	6
Consolidated Statement of Comprehensive Income	7
(3) Notes to Consolidated Financial Statements.....	8
(Conditions or events that indicate there could be substantial doubt about the Company's ability to continue as a going concern).....	8
(Note on significant changes in shareholders' equity).....	8
(Changes in Accounting Policies)	8
(Changes in Accounting Estimates).....	9
(Additional Information)	9
(Segment Information and Others)	10
(Significant Subsequent Events).....	11
3. Supplementary Information.....	12
(1) Production, Orders Received and Sales Performance	12

1. Qualitative Information/Financial Statements

(1) Explanation on Consolidated Financial Results

Net sales for the nine months ended September 30, 2022 increased by ¥849.5 billion, or 100.0%, to ¥1,698.7 billion from the corresponding period of the previous fiscal year due to an increase in sales price of crude oil and natural gas. Net sales of crude oil increased by ¥697.0 billion, or 112.2%, to ¥1,318.3 billion, and net sales of natural gas increased by ¥149.0 billion, or 69.0%, to ¥365.1 billion. Sales volume of crude oil increased by 15,773 thousand barrels, or 18.1%, to 102,921 thousand barrels, and sales volume of natural gas decreased by 16,605 million cf, or 4.9%, to 322,299 million cf. Sales volume of overseas natural gas decreased by 12,831 million cf, or 4.7%, to 260,035 million cf, and sales volume of domestic natural gas decreased by 101 million m³, or 5.7%, to 1,668 million m³ (62,264 million cf). The average sales price of overseas crude oil increased by US\$34.24, or 52.2%, to US\$99.83 per barrel. The average sales price of overseas natural gas increased by US\$2.59, or 56.9%, to US\$7.14 per thousand cf, and the average sales price of domestic natural gas increased by ¥32.48, or 76.3%, to ¥75.04 per m³. The average exchange rate of the Japanese yen against the U.S. dollar on consolidated net sales depreciated by ¥19.65, or 18.1%, to ¥128.33 per U.S. dollar.

The increase of ¥849.5 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 ¥96.5 billion to the increase, an increase in unit sales price contributing ¥511.6 billion to the increase, the depreciation of the Japanese yen against the U.S. dollar contributing ¥237.8 billion to the increase, and an increase in net sales excluding crude oil and natural gas of ¥3.4 billion.

Meanwhile, cost of sales increased by ¥295.8 billion, or 76.7%, to ¥681.3 billion. Exploration expenses increased by ¥19.1 billion, or 473.3%, to ¥23.1 billion. Selling, general and administrative expenses increased by ¥21.0 billion, or 36.8%, to ¥78.3 billion. As a result, operating income increased by ¥513.5 billion, or 127.6%, to ¥915.8 billion.

Other income increased by ¥160.8 billion, or 251.3%, to ¥224.8 billion due to an increase in equity in earnings of affiliates and others. Other expenses increased by ¥73.9 billion, or 189.1%, to ¥113.0 billion due to posting modification loss on financial assets and others. As a result, ordinary income increased by ¥600.3 billion, or 140.5%, to ¥1,027.6 billion.

Extraordinary loss was ¥18.2 billion as a result of posting impairment loss for a certain project due to the downward revision in forecasted production volume and others. Total amount of current income taxes and deferred income taxes increased by ¥451.3 billion, or 150.7%, to ¥750.8 billion, and net loss attributable to non-controlling interests was ¥8.8 billion. As a result of the above effects, net income attributable to owners of parent increased by ¥129.7 billion, or 94.2%, to ¥267.4 billion.

Financial results by segment are as follows:

1) Japan

Net sales increased by ¥53.1 billion, or 59.0%, to ¥143.2 billion due to an increase in sales price of crude oil and natural gas.

Operating loss was ¥16.9 billion compared with ¥8.9 billion of operating income for the corresponding period of the previous fiscal year due to an increase in cost of sales.

2) Asia & Oceania

Net sales increased by ¥127.7 billion, or 54.0%, to ¥364.6 billion due to an increase in sales price of crude oil and natural gas.

Operating income increased by ¥81.9 billion, or 73.5%, to ¥193.3 billion.

3) Eurasia (Europe & NIS)

Net sales increased by ¥160.6 billion, or 193.8%, to ¥243.5 billion due to increases in sales volume and sales price of crude oil.

Operating income increased by ¥117.7 billion, or 593.0%, to ¥137.5 billion.

4) Middle East & Africa

Net sales increased by ¥497.9 billion, or 118.2%, to ¥919.2 billion due to increases in sales volume and sales price of crude oil.

Operating income increased by ¥331.9 billion, or 125.0%, to ¥597.6 billion.

5) Americas

Net sales increased by ¥9.9 billion, or 55.4%, to ¥28.0 billion due to an increase in sales price of crude oil. Operating income increased by ¥7.0 billion, or 85.0%, to ¥15.3 billion.

(2) Explanation on Consolidated Financial Position

Total assets as of September 30, 2022 increased by ¥1,682.3 billion to ¥6,840.5 billion from ¥5,158.1 billion as of December 31, 2021. Current assets increased by ¥316.0 billion to ¥834.8 billion due to an increase in accounts receivable-trade and contract assets, posting of securities, and others. Fixed assets increased by ¥1,366.3 billion to ¥6,005.6 billion due to increases in tangible fixed assets, investments and other assets, and others.

Meanwhile, total liabilities increased by ¥838.2 billion to ¥2,649.9 billion from ¥1,811.7 billion as of December 31, 2021. Current liabilities increased by ¥362.4 billion to ¥711.3 billion and long-term liabilities increased by ¥475.7 billion to ¥1,938.6 billion.

Net assets increased by ¥844.1 billion to ¥4,190.5 billion. Total shareholders' equity increased by ¥130.3 billion to ¥2,811.0 billion. Total accumulated other comprehensive income increased by ¥693.3 billion to ¥1,136.8 billion and non-controlling interests in net assets increased by ¥20.3 billion to ¥242.7 billion.

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

Crude oil and natural gas production operations largely progressed steadily, and the Company revised its forecasts for consolidated financial results for the year ending December 31, 2022 due to factors including the upturn in crude oil prices and the depreciation of the Japanese yen against the U.S. dollar in the nine months ended September 30, 2022 and the revision of its crude oil price and exchange rate assumptions for the year.

Forecasts for consolidated financial results for the year ending December 31, 2022

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent
Previous Forecasts: A	2,182,000	1,133,000	1,255,000	350,000
Revised Forecasts: B	2,302,000	1,241,000	1,370,000	400,000
Increase (Decrease): B-A	120,000	108,000	115,000	50,000
Percentage change (%)	5.5	9.5	9.2	14.3

The above forecasts are calculated based on the following assumptions:

	Previous Forecasts	Revised Forecasts
Crude oil price (Brent)	First Half average (actual): US\$104.9/bbl	First Half average (actual): US\$104.9/bbl
	Second Half average: US\$85.1/bbl	Second Half average: US\$91.4/bbl
	• 3rd quarter average: US\$95.1/bbl	• 3rd quarter average (actual): US\$97.7/bbl
	• 4th quarter average: US\$75.0/bbl	• 4th quarter average: US\$85.0/bbl
	Full Year average: US\$95.0/bbl	Full Year average: US\$98.1/bbl
Exchange rate	First Half average (actual): ¥123.2/US\$	First Half average (actual): ¥123.2/US\$
	Second Half average: ¥126.9/US\$	Second Half average: ¥139.1/US\$
	Full Year average: ¥125.0/US\$	Full Year average: ¥131.1/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, 2021	As of September 30, 2022
(Assets)		
Current assets		
Cash and deposits	201,765	252,410
Accounts receivable-trade	168,224	–
Accounts receivable-trade and contract assets	–	246,889
Securities	–	86,864
Inventories	47,817	62,764
Other	113,161	201,077
Less allowance for doubtful accounts	(12,104)	(15,140)
Total current assets	518,864	834,866
Fixed assets		
Tangible fixed assets		
Buildings and structures, net	163,165	157,702
Wells, net	345,946	427,573
Machinery, equipment and vehicles, net	1,418,656	1,757,452
Land	18,666	18,004
Construction in progress	292,836	351,692
Other, net	20,578	26,149
Total tangible fixed assets	2,259,849	2,738,575
Intangible assets		
Goodwill	29,550	42,767
Other	417,110	465,460
Total intangible assets	446,660	508,227
Investments and other assets		
Investment securities	403,356	781,781
Long-term loans receivable	1,011,801	1,445,456
Recoverable accounts under production sharing	548,170	530,542
Other	33,417	56,861
Less allowance for doubtful accounts	(652)	(748)
Less allowance for recoverable accounts under production sharing	(61,871)	(53,581)
Less allowance for investments in exploration	(1,400)	(1,470)
Total investments and other assets	1,932,821	2,758,842
Total fixed assets	4,639,332	6,005,645
Total assets	5,158,196	6,840,511

(Millions of yen)

Accounts	As of December 31, 2021	As of September 30, 2022
(Liabilities)		
Current liabilities		
Accounts payable-trade	14,888	49,985
Short-term loans	80,493	97,077
Commercial papers	–	92,000
Income taxes payable	51,350	174,975
Provision for bonuses	1,386	–
Provision for bonuses to officers	200	105
Provision for loss on business	9,400	8,490
Provision for exploration projects	9,444	5,181
Asset retirement obligations	672	3,101
Other	181,051	280,447
Total current liabilities	348,888	711,363
Long-term liabilities		
Bonds payable	30,000	30,000
Long-term debt	1,069,721	1,320,597
Provision for stocks payment	100	221
Provision for special repair and maintenance	650	730
Liability for retirement benefits	7,048	8,068
Asset retirement obligations	258,339	383,483
Other	97,037	195,527
Total long-term liabilities	1,462,897	1,938,628
Total liabilities	1,811,786	2,649,992
(Net assets)		
Shareholders' equity		
Common stock	290,809	290,809
Capital surplus	681,398	681,491
Retained earnings	1,783,841	1,895,596
Treasury stock	(75,425)	(56,890)
Total shareholders' equity	2,680,624	2,811,006
Accumulated other comprehensive income		
Unrealized holding gain (loss) on securities	2,640	5,903
Deferred gain (loss) on hedges	(16,171)	35,622
Translation adjustments	456,972	1,095,285
Total accumulated other comprehensive income	443,441	1,136,811
Non-controlling interests	222,344	242,700
Total net assets	3,346,409	4,190,518
Total liabilities and net assets	5,158,196	6,840,511

(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, 2021	For the nine months ended September 30, 2022
Net sales	849,214	1,698,743
Cost of sales	385,562	681,384
Gross profit	463,652	1,017,358
Exploration expenses	4,038	23,153
Selling, general and administrative expenses	57,237	78,312
Operating income	402,376	915,892
Other income		
Interest income	22,266	36,389
Dividend income	5,305	8,591
Equity in earnings of affiliates	2,863	119,798
Gain on reversal of allowance for recoverable accounts under production sharing	7,230	7,688
Foreign exchange gain	–	9,047
Other	26,333	43,305
Total other income	63,998	224,819
Other expenses		
Interest expense	10,359	19,525
Foreign exchange loss	8,862	–
Modification loss on financial assets	–	83,314
Other	19,883	10,210
Total other expenses	39,105	113,049
Ordinary income	427,269	1,027,661
Extraordinary loss		
Impairment loss	–	18,274
Total extraordinary loss	–	18,274
Income before income taxes	427,269	1,009,387
Income taxes-current	266,104	721,040
Income taxes-deferred	33,323	29,774
Total income taxes	299,428	750,815
Net income	127,841	258,572
Net loss attributable to non-controlling interests	(9,880)	(8,856)
Net income attributable to owners of parent	137,722	267,429

Consolidated Statement of Comprehensive Income

(Millions of yen)

Accounts	For the nine months ended September 30, 2021	For the nine months ended September 30, 2022
Net income	127,841	258,572
Other comprehensive income		
Unrealized holding gain (loss) on securities	530	3,316
Deferred gain (loss) on hedges	(3,388)	2,466
Translation adjustments	170,160	629,897
Share of other comprehensive income of affiliates accounted for by the equity-method	36,994	69,990
Total other comprehensive income	204,297	705,671
Comprehensive income	332,138	964,243
Total comprehensive income attributable to		
Owners of parent	336,012	960,799
Non-controlling interests	(3,874)	3,444

(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, 2022 (January 1, 2022 through September 30, 2022):

None

(Note on significant changes in shareholders' equity)

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

None

(Changes in Accounting Policies)

(Application of Accounting Standard for Revenue Recognition and others)

Effective from the beginning of the first quarter ended March 31, 2022, the Group applied "Accounting Standard for Revenue Recognition" (Accounting Standards Board of Japan ("ASBJ") Statement No. 29, March 31, 2020, hereinafter referred to as "Revenue Recognition Accounting Standard") and others. Under the Revenue Recognition Accounting Standard and others, revenue is recognized when the control of the promised goods or services is transferred to the customer at the amount expected to be received in exchange for the goods or services.

The main changes resulting from the application of the Revenue Recognition Accounting Standard and others are as follows:

1. Exchange transactions

For exchange transactions involving petroleum products of the same nature and value between entities in the same line of business, the Group has changed the practice to recognize revenue based on a net amount.

2. Light oil delivery taxes

For light oil delivery taxes which fall under the amount collected for third parties, the Group changed the practice to recognize revenue at an amount excluding light oil delivery taxes from consideration for transactions.

In accordance with the transitional treatment provided in the provisory clause of paragraph 84 of the Revenue Recognition Accounting Standard, the cumulative effect at the end of the previous fiscal year from retrospective application of the Revenue Recognition Accounting Standard is treated as adjustment to retained earnings at the beginning of the first quarter ended March 31, 2022, and the new accounting policy is applied from the adjusted beginning balance of retained earnings.

As a result, consolidated net sales and cost of sales for the nine months ended September 30, 2022 decreased by ¥1,227 million, respectively, and there was no effect on operating income, ordinary income, and income before income taxes. In addition, there was also no effect on the beginning balance of retained earnings for the nine months ended September 30, 2022.

Due to the application of Revenue Recognition Accounting Standard and others, "Accounts receivable-trade" under current assets of the consolidated balance sheet as of December 31, 2021 has been included in "Accounts receivable-trade and contract assets" under current assets from the consolidated balance sheet as of March 31, 2022. In accordance with the transitional treatment provided for in paragraph 89-2 of the Revenue Recognition Accounting Standard, figures for the fiscal year ended December 31, 2021 have not been restated in accordance with the new presentation method.

(Application of Accounting Standard for Fair Value Measurement and others)

Effective from the beginning of the first quarter ended March 31, 2022, the Group applied "Accounting Standard for Fair Value Measurement" (ASBJ Statement No. 30, July 4, 2019, hereinafter referred to as "Fair Value Measurement Accounting Standard") and others. In accordance with the transitional treatment provided for in paragraph 19 of the Fair Value Measurement Accounting Standard and paragraph 44-2 of "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10, July 4, 2019), the Group applied prospectively a new accounting policy prescribed by the Fair Value Measurement Accounting Standard and others. This application has no effect on the consolidated financial statements.

(Changes in Accounting Estimates)

(Change in estimates for asset retirement obligation)

Regarding domestic oil and gas production facilities and gas supply and marketing facilities in Japan, the Group has obligations to prevent mine pollution at abandoned well sites after the completion of the production under Japanese Mine Safety Act and restore sites to their original condition at the time of business termination in accordance with lease contracts.

Among these facilities, certain domestic oil and gas production facilities are operated complementarily and holistically in connection with the LNG terminal and it had been difficult to formulate reasonable long-term production plan considering the balance between the production and the inflow of LNG. The Group had planned to operate domestic gas supply and marketing facilities permanently as highly public infrastructures for energy supply and it had been impossible to determine the timing of decommission. For this reason, the Group had not recognized asset retirement obligation since the Group had not been able to estimate it reasonably until the end of the previous fiscal year.

For the first quarter ended March 31, 2022, the Group reviewed the production and development plan considering the formulation and publication of “Long-term Strategy and Medium-term Business Plan (INPEX Vision@2022)” in February 2022. As a result, it has been possible to determine reasonably the timing of decommission of domestic oil and gas production facilities and certain gas supply and marketing facilities that the Group had not recognized asset retirement obligation since it had been impossible to determine the timing of decommission, and the asset retirement obligation of ¥12,149 million has been recorded. Due to this change, consolidated operating income, ordinary income and income before income taxes for the nine months ended September 30, 2022 decreased by ¥11,366 million respectively.

(Additional Information)

(Modification loss on financial assets)

In accordance with International Financial Reporting Standards (IFRS) 9 “Financial Instruments” implemented to foreign consolidated subsidiaries, the loss was recognized due to modification of financial assets that do not result in derecognition.

(Segment Information and Others)

(Segment Information)

I. For the nine months ended September 30, 2021 (January 1, 2021 through September 30, 2021)

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	90,141	236,837	82,888	421,312	18,034	849,214	–	849,214
Intercompany sales and transfers between segments	–	6,203	–	–	–	6,203	(6,203)	–
Total	90,141	243,040	82,888	421,312	18,034	855,418	(6,203)	849,214
Segment income (loss)	8,902	111,434	19,855	265,679	8,296	414,168	(11,792)	402,376

Notes: 1. Adjustments of segment income (loss) of ¥(11,792) 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 (loss) 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 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						Adjustments *1	Consolidated *2
	Japan	Asia & Oceania	Eurasia (Europe & NIS)	Middle East & Africa	Americas	Total		
Net sales								
Sales to third parties	143,291	364,625	243,567	919,235	28,024	1,698,743	–	1,698,743
Intercompany sales and transfers between segments	–	10,062	–	–	–	10,062	(10,062)	–
Total	143,291	374,687	243,567	919,235	28,024	1,708,806	(10,062)	1,698,743
Segment income (loss)	(16,982)	193,345	137,591	597,649	15,348	926,952	(11,059)	915,892

Notes: 1. Adjustments of segment income (loss) of ¥(11,059) 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 (loss) 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

(Impairment loss from fixed assets)

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

“Americas” segment Eagle Ford shale play: ¥18,274 million

(Significant change in goodwill)

In “Eurasia (Europe & NIS)” 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. The figures for the increase in goodwill reflect changes in the initial allocation of acquisition costs due to the finalization of the tentative accounting treatment of business combinations.

3. Information on changes in reportable segments and others

(Application of Accounting Standard for Revenue Recognition and others)

As stated in the “Changes in Accounting Policies,” effective from the beginning of the first quarter ended March 31, 2022, the Group applied the Revenue Recognition Accounting Standard and others, and changed the method of accounting in connection with revenue recognition. Accordingly, the method of calculating net sales and income (loss) by reportable segment was also changed in the same manner. As a result, net sales for the nine months ended September 30, 2022 in “Japan” segment decreased by ¥1,227 million compared with the previous method, and there was no effect on segment income (loss).

(Significant Subsequent Events)

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 September 30, 2021	For the nine months ended September 30, 2022
Japan	Crude oil	0.8 MMbbls (2.9 Mbbls per day)	0.7 MMbbls (2.7 Mbbls per day)
	Natural gas	30.2 Bcf (110.8 MMcf per day)	27.7 Bcf (101.6 MMcf per day)
	Subtotal	6.5 MMboe (23.7 Mboe per day)	5.8 MMboe (21.2 Mboe per day)
	Iodine	411.5t	412.3t
	Electric power generation	164.9 million kWh	168.2 million kWh
Asia & Oceania	Crude oil	13.6 MMbbls (49.8 Mbbls per day)	12.1 MMbbls (44.2 Mbbls per day)
	Natural gas	285.4 Bcf (1,045.4 MMcf per day)	273.8 Bcf (1,003.1 MMcf per day)
	Subtotal	68.8 MMboe (251.9 Mboe per day)	64.8 MMboe (237.5 Mboe per day)
	Electric power generation	293.8 million kWh	315.3 million kWh
Eurasia (Europe & NIS)	Crude oil	13.5 MMbbls (49.4 Mbbls per day)	17.4 MMbbls (63.6 Mbbls per day)
	Natural gas	6.9 Bcf (25.5 MMcf per day)	13.4 Bcf (49.2 MMcf per day)
	Subtotal	14.7 MMboe (54.0 Mboe per day)	19.8 MMboe (72.4 Mboe per day)
	Electric power generation	–	105.5 million kWh
	Sulfur	71.4 Mtons	53.4 Mtons
Middle East & Africa	Crude oil	59.8 MMbbls (218.9 Mbbls per day)	73.8 MMbbls (270.2 Mbbls per day)
Americas	Crude oil	2.2 MMbbls (8.1 Mbbls per day)	2.3 MMbbls (8.4 Mbbls per day)
	Natural gas	8.5 Bcf (31.1 MMcf per day)	2.6 Bcf (9.5 MMcf per day)
	Subtotal	3.8 MMboe (14.1 Mboe per day)	2.9 MMboe (10.5 Mboe per day)
Total	Crude oil	89.9 MMbbls (329.3 Mbbls per day)	106.2 MMbbls (389.1 Mbbls per day)
	Natural gas	331.1 Bcf (1,212.7 MMcf per day)	317.6 Bcf (1,163.4 MMcf per day)
	Subtotal	153.6 MMboe (562.6 Mboe per day)	167.1 MMboe (611.7 Mboe per day)
	Iodine	411.5t	412.3t
	Electric power generation	458.7 million kWh	589.1 million kWh
	Sulfur	71.4 Mtons	53.4 Mtons

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.

Also the production volume is a result for the nine months ended September 30 regardless of the fiscal year-ends of its subsidiaries or affiliates.

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 97.6 MMbbls (357.6 Mbbls per day) of crude oil, 343.0 Bcf (1,256.3 MMcf per day) of natural gas, and in total 163.4 MMboe (598.6 Mboe per day) for the nine months ended September 30, 2021, and 114.3 MMbbls (418.6 Mbbls per day) of crude oil, 325.2Bcf (1,191.2 MMcf per day) of natural gas, and in total 176.5 MMboe (646.1 Mboe per day) for the nine months ended September 30, 2022.

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, 2021	For the nine months ended September 30, 2022
		Net sales	Net sales
Japan	Crude oil	3,205	4,551
	Natural gas (excluding LPG)	75,303	125,188
	LPG	13	5
	Other	11,621	13,545
	Subtotal	90,143	143,291
Asia & Oceania	Crude oil	96,984	158,378
	Natural gas (excluding LPG)	134,066	203,386
	LPG	5,786	2,859
	Subtotal	236,837	364,625
Eurasia (Europe & NIS)	Crude oil	83,981	209,700
	Natural gas (excluding LPG)	(1,329)	32,126
	Other	236	1,740
	Subtotal	82,888	243,567
Middle East & Africa	Crude oil	421,309	919,235
Americas	Crude oil	15,822	26,483
	Natural gas (excluding LPG)	2,212	1,540
	Subtotal	18,034	28,024
Total	Crude oil	621,303	1,318,349
	Natural gas (excluding LPG)	210,253	362,242
	LPG	5,799	2,865
	Other	11,858	15,286
	Total	849,214	1,698,743