



Consolidated Financial Results for the First Nine Months ended December 31, 2004

February 10, 2005

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

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1. Preparation of Nine-Month Financial Results

Application of a simple accounting procedure : No
 Any changes in accounting procedure from the latest fiscal year : No
 Any changes in scope of consolidation and equity method of accounting : Yes

Number of consolidated subsidiaries:

(Newly included) 1 (Excluded) 2

Number of affiliates accounted for by the equity method

(Newly included) 4 (Excluded) 1

2. Financial and Operating Results for the First Nine Months ended December 31, 2004 (April 1, 2004 through December 31, 2004)

(1) Consolidated operating results

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

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
For the nine months ended December 31, 2004	339,865	109.6	191,143	166.2	175,359	147.3	54,967	111.8
December 31, 2003	162,172	-	71,804	-	70,922	-	25,958	-
For the year ended March 31, 2004	218,831		93,876		94,773		34,781	

	Net income per share—basic		Net income per share—diluted	
	Yen		Yen	
For the nine months ended December 31, 2004	29,092.97		-	
December 31, 2003	44,057.63	(14,685.88)	-	
For the year ended March 31, 2004	58,838.76	(19,612.92)	-	

- Notes: 1. The percentage expressions for net sales, operating income, ordinary income and net income represent the change from the corresponding nine-month period of the previous year.
 2. Average number of shares issued and outstanding in each period (consolidated): First nine months ended December 31, 2004 1,889,386 shares; First nine months ended December 31, 2004 589,200 shares; year ended March 31, 2004 589,200 shares
 On May 18, 2004, there was a 3-for-1 stock split of common stock. Net income per share for the first nine months ended December 31, 2004 and the year ended 2004 restated for the effect of the stock split is presented in parentheses.

During the nine-month period ended December 31, 2004, consolidated net sales increased ¥177,692 million, or 109.6%, to ¥339,865 million from the corresponding nine-month period a year before. Net sales of crude oil were ¥205,508 million, a remarkable rise of ¥155,136 million, or 308.0%. Consolidated net sales of natural gas increased ¥22,556 million, or 20.2%, to ¥134,356 million.

As for net sales of crude oil, the average price of our crude oil for the nine-month period ended December 31, 2004 increased US\$10.05 per barrel, or 36.0%, to US\$37.96 per barrel from the nine-month period a year before. The sales volume increased 34.03 million barrels, or 221.5%, to 49.39 million barrels, mainly due to the consolidation of Japan Oil Development Co., Ltd. and the increase in sales volume at INPEX Southwest Caspian Sea, Ltd. The average exchange rate for crude oil sales was ¥108.58 per U.S. dollar for the nine-month period ended December 31, 2004 representing an appreciation of the yen in the amount of ¥6.79 per U.S. dollar, or 5.9%, from the nine-month period a year before.

The increase in net sales of natural gas was attributable to a rise in sales prices accompanied by a rise in crude oil prices despite the appreciation of the yen.

Cost of sales for the nine-month period ended December 31, 2004 increased ¥61,476 million, or 78.8%, to ¥139,467 million from the nine-month period a year before. Exploration expenses decreased ¥6,510 million, or 81.9%, to ¥1,436 million. Selling, general and administrative expenses increased ¥3,388 million, or 76.5%, to ¥7,817 million. As a result, operating income increased ¥119,338 million, or 166.2%, to ¥191,143 million.

Other income for the nine-month period ended December 31, 2004 decreased ¥7,305 million, or 65.6%, to ¥3,830 million. This decrease was primarily due to the foreign exchange gain recognized in the corresponding nine-month period a year before, which was not recognized in the nine-month ended December 31, 2004 with the appreciation of the yen against the dollar.

Other expenses increased ¥7,596 million, or 63.2%, to ¥19,614 million. Large increase of foreign exchange loss of ¥11,332 million more than offsets a decrease of ¥8,479 million in the provision for allowance for recoverable accounts under production sharing. As a consequence, ordinary income for the nine-month ended December 31, 2004, increased ¥104,436 million, or 147.3%, to ¥175,359 million.

Income taxes - current for the nine-month ended December 31, 2004 were ¥133,381 million, showing an increase of ¥90,658 million, or 212.2%, from the nine-month period a year before, primarily due to the consolidation of Japan Oil Development Co., Ltd. As a result, consolidated net income for the nine-month period ended December 31, 2004, increased ¥29,009 million, or 111.8%, to ¥54,967 million.

Reference: Non-consolidated operating results

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
For the nine months ended								
December 31, 2004	146,467	17.7	80,897	14.2	78,816	34.9	35,009	55.6
December 31, 2003	124,491	-	70,842	-	58,437	-	22,493	-
For the year ended March 31, 2004	168,239		92,648		76,205		28,349	

Note:

The percentage expressions for net sales, operating income, ordinary income and net income represent the change from the corresponding nine-month period of the previous year.

(2) Consolidated financial position

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

	Total assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share	
	Millions of yen	Millions of yen	%	Yen	
As of December 31, 2004	738,087	390,588	52.9	203,449.37	
As of December 31, 2003	510,369	269,637	52.9	457,632.97 (152,544.32)	
As of March 31, 2004	525,298	278,113	52.9	471,826.00 (157,275.33)	

Note:

Number of shares issued and outstanding at the end of each period (consolidated):

First nine months of FY2005 1,919,833 shares; First nine months of FY2004 589,200 shares; FY2004 589,200 shares

On May 18, 2004, there was a 3-for-1 stock split of common stock. Shareholders' equity per share as of December 31, 2003 and March 31, 2004 restated for the effect of the stock split are presented in parentheses.

(Consolidated cash flows)

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

	Operating activities	Investing activities	Financing activities	Cash and cash equivalents at the end of the period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
For the nine months ended				
December 31, 2004	94,221	(93,377)	7,544	114,154
December 31, 2003	39,003	(213,285)	126,608	29,737
For the year ended March 31, 2004	44,464	(218,121)	151,120	54,582

Consolidated total assets increased ¥212,789 million to ¥738,087 million as of December 31, 2004 from ¥525,298 million as of March 31, 2004. Current assets increased ¥91,893 million to ¥198,846 million, mainly due to increases in cash and deposits and accounts receivable-trade. Fixed assets increased ¥120,896 million to ¥539,241 million, due to increases in tangible fixed assets, investment securities and recoverable accounts under production sharing.

Total liabilities increased ¥100,183 million to ¥314,489 million, minority interests in consolidated subsidiaries increased ¥130 million to ¥33,009 million and shareholders' equity increased ¥112,475 million to ¥390,588 million.

As for cash flows during the nine-month period ended December 31, 2004, net cash provided by operating activities increased ¥55,217 million to ¥94,221 million from the nine-month period a year before, mainly due to the increased sales volume of crude oil and price rises of crude oil and natural gas. Meanwhile, net cash used for investing activities amounted to ¥93,377 million. After adding ¥7,544 million in net cash provided by financing activities and deducting ¥4,709 million for the effect of foreign exchange rate changes on cash and cash equivalents, the net increase in cash and cash equivalents during the nine-month period ended December 31, 2004 totaled ¥3,678 million.

Cash and cash equivalents at the end of the nine-month period ended December 31, 2004, totaled ¥114,154 million by adding ¥55,894 million of increase in cash and cash equivalents due to a share exchange transaction and ¥54,582 million at the end of the previous fiscal year.

Reference: Non-consolidated financial position

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

	Total assets	Shareholders' equity	Shareholders' equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2004	399,199	361,502	90.6
As of December 31, 2003	299,381	263,941	88.2
As of March 31, 2004	301,376	269,813	89.5

[Accompanying materials]

1. 3rd Quarter Condensed Consolidated Balance Sheets
2. 3rd Quarter Condensed Consolidated Statements of Income
3. 3rd Quarter Condensed Consolidated Statements of Cash Flows
4. Production, Orders Received and Sales Performance

[Reference]

Projected Operating Results for FY2005 (April 1, 2004 through March 31, 2005)

	Net sales	Ordinary income	Net income	Net income per share
	Millions of yen	Millions of yen	Millions of yen	Yen
Consolidated	441,100	235,000	66,500	34,638.41
Non-consolidated	189,800	104,100	46,800	24,377.11

Reference:

1. The predicted net income per share for FY2005, the year ending March 31, 2005, is calculated based on the expected number of shares issued and outstanding of 1,919,833 at March 31, 2005.
2. The above forecasts are calculated based on the following assumptions:

	4 th Quarter(January 1, 2005- March 31, 2005)	Second-Half(October 1, 2004- March 31, 2005)
Crude oil price(Brent)	US\$41.49/bbl	US\$43.11/bbl
Exchange rates(for crude oil price)	¥100/US\$1	¥103.05/US\$1

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

- * The aforementioned projections are based on currently available information and contain many uncertainties. Changing business conditions may cause actual results to differ from the above forecasts.

1.3rd Quarter Condensed Consolidated Balance Sheets

(Millions of yen)

Accounts	As of March 31, 2004 (A)		As of December 31, 2004 (B)		Fluctua- tion (B)-(A)	As of December 31, 2003	
	Amounts	Ratio	Amounts	Ratio		Amounts	Ratio
(Assets)		%		%			%
Current assets							
Cash and deposits	63,722		122,714		58,992	46,237	
Accounts receivable-trade	19,265		43,165		23,900	15,996	
Marketable securities	18,979		16,941		(2,038)	20,572	
Other	4,986		16,025		11,038	4,032	
Total current assets	106,952	20.4	198,846	27.0	91,893	86,839	17.0
Fixed assets							
Tangible fixed assets	35,141	6.7	68,843	9.3	33,701	33,715	6.6
Intangible assets	137,908	26.2	139,041	18.8	1,133	138,341	27.1
Investments and other assets							
Investment securities	79,371		116,162		36,791	89,607	
Recoverable accounts under production sharing	208,768		237,922		29,153	211,836	
Other	7,541		26,467		18,925	8,898	
Less allowance for recoverable accounts under production sharing	(44,676)		(45,030)		(354)	(52,778)	
Less allowance for investments in exploration	(5,710)		(4,166)		1,544	(6,091)	
Total investments and other assets	245,295	46.7	331,356	44.9	86,061	251,472	49.3
Total fixed assets	418,345	79.6	539,241	73.0	120,896	423,530	83.0
Total assets	525,298	100.0	738,087	100.0	212,789	510,369	100.0
(Liabilities)							
Current liabilities							
Accounts payable	3,272		15,659		12,387	2,821	
Current portion of long-term debt	117		1,164		1,046	122	
Income taxes payable	8,371		47,717		39,345	9,347	
Other	17,132		34,343		17,211	24,187	
Total current liabilities	28,894	5.5	98,884	13.4	69,990	36,478	7.1
Long-term liabilities							
Long-term debt	169,307		182,218		12,911	159,514	
Other	16,103		33,386		17,282	14,981	
Total long-term liabilities	185,410	35.3	215,604	29.2	30,193	174,495	34.2
Total liabilities	214,305	40.8	314,489	42.6	100,183	210,973	41.3
(Minority interests)							
Minority interests in consolidated subsidiaries	32,878	6.3	33,009	4.5	130	29,758	5.8
(Shareholders' equity)							
Common stock	29,460	5.6	29,460	4.0	0	29,460	5.8
Additional paid-in capital			62,402	8.4	62,402		
Retained earnings	249,628	47.5	298,579	40.5	48,951	240,805	47.2
Unrealized holding gain on securities	154	0.0	409	0.0	255	139	0.0
Translation adjustments	(1,128)	(0.2)	(263)	(0.0)	865	(767)	(0.1)
Total shareholders' equity	278,113	52.9	390,588	52.9	112,475	269,637	52.9
Total liabilities, minority interests and shareholders' equity	525,298	100.0	738,087	100.0	212,789	510,369	100.0

2. 3rd Quarter Condensed Consolidated Statements of Income

(Millions of yen)

Accounts	For the nine months ended December 31, 2003 (A)		For the nine months ended December 31, 2004 (B)		Fluctuation (B) - (A)	For the year ended March 31, 2004	
	Amounts	Ratio	Amounts	Ratio		Amounts	Amounts
		%		%			%
Net sales	162,172	100.0	339,865	100.0	177,692	218,831	100.0
Cost of sales	77,991	48.1	139,467	41.0	61,476	105,758	48.3
Gross profit	84,181	51.9	200,397	59.0	116,216	113,072	51.7
Exploration expenses	7,947	4.9	1,436	0.4	(6,510)	11,552	5.3
Selling, general and administrative expenses	4,429	2.7	7,817	2.3	3,388	7,644	3.5
Operating income	71,804	44.3	191,143	56.3	119,338	93,876	42.9
Other income	11,136	6.8	3,830	1.1	(7,305)	15,503	7.1
Interest income	1,047		2,709		1,662	1,574	
Equity in earnings of affiliates	526		22		(503)	452	
Foreign exchange gain	7,471				(7,471)	10,761	
Other	2,091		1,098		(992)	2,714	
Other expenses	12,018	7.4	19,614	5.8	7,596	14,606	6.7
Interest expense	1,260		2,053		793	1,816	
Provision for allowance for recoverable accounts under production sharing	8,817		337		(8,479)	10,056	
Amortization of exploration and development rights	553		1,333		779	746	
Foreign exchange loss			11,332		11,332		
Other	1,387		4,557		3,170	1,986	
Ordinary income	70,922	43.7	175,359	51.6	104,436	94,773	43.3
Income before income taxes and minority interests	70,922	43.7	175,359	51.6	104,436	94,773	43.3
Income taxes-current	42,723	26.3	133,381	39.2	90,658	55,081	25.1
Income taxes-deferred	2,581	1.6	(10,337)	(3.0)	(12,919)	5,237	2.4
Minority interests	(341)	(0.2)	(2,652)	(0.8)	(2,310)	(326)	(0.1)
Net income	25,958	16.0	54,967	16.2	29,009	34,781	15.9

3. 3rd Quarter Condensed Consolidated Statements of Cash Flows

(Millions of yen)

Accounts	For the nine months ended December 31, 2003 (A)	For the nine months ended December 31, 2004 (B)	Fluctuation (B) - (A)	For the year ended March 31, 2004
	Amounts	Amounts	Amounts	Amounts
Cash flows from operating activities				
Income before income taxes and minority interests	70,922	175,359	104,436	94,773
Depreciation and amortization	1,800	8,335	6,535	4,049
Provision for allowance for recoverable accounts under production sharing	9,940	354	(9,586)	11,284
Interest and dividend income	(1,079)	(2,797)	(1,717)	(1,711)
Interest expense	1,260	2,053	793	1,816
Foreign exchange (gain) loss	(6,139)	9,260	15,399	(11,980)
Equity in earnings of affiliates	(526)	(22)	503	(452)
Recovery of recoverable accounts under production sharing (capital expenditure)	13,995	26,177	12,182	21,744
Recoverable accounts under production sharing (operating expenditures)	(12,822)	(5,775)	7,047	(13,827)
Other	2,786	(3,841)	(6,628)	(7,349)
Subtotal	80,138	209,104	128,965	98,348
Interest and dividends received	1,675	3,131	1,456	2,471
Interest paid	(1,141)	(1,986)	(844)	(1,322)
Income taxes paid	(41,669)	(116,028)	(74,359)	(55,033)
Net cash provided by operating activities	39,003	94,221	55,217	44,464
Cash flows from investing activities				
Proceeds from sales of marketable securities	17,406	15,053	(2,352)	20,706
Purchase of tangible fixed assets	(6,590)	(8,356)	(1,766)	(8,920)
Proceeds from sales of tangible fixed assets	10	295	284	22
Purchase of investment securities	(17,179)	(50,294)	(33,115)	(19,661)
Proceeds from sales of investment securities	683		(683)	3,685
Investment in recoverable accounts under production sharing (capital expenditures)	(47,272)	(49,556)	(2,284)	(58,997)
Purchase of mining rights	(162,476)		162,476	(163,511)
Proceeds from sales of mining rights	3,052		(3,052)	3,052
Other	(921)	(518)	402	5,502
Net cash used in investing activities	(213,285)	(93,377)	119,907	(218,121)

Accounts	For the nine months ended December 31, 2003 (A)	For the nine months ended December 31, 2004 (B)	Fluctuation (B) - (A)	For the year ended March 31, 2004
	Amounts	Amounts	Amounts	Amounts
Cash flows from financing activities				
Proceeds from long-term debt	119,911	13,298	(106,613)	136,028
Repayment of long-term debt	(116)	(1,761)	(1,644)	(195)
Proceeds from minority interests for additional shares	29,205	1,398	(27,807)	30,320
Cash dividends paid	(5,892)	(5,892)		(5,892)
Other	(16,500)	500	17,000	(9,140)
Net cash provided by financing activities	126,608	7,544	(119,064)	151,120
Effect of exchange rate changes on cash and cash equivalents	(1,003)	(4,709)	(3,706)	(1,295)
Net increase (decrease) in cash and cash equivalents	(48,676)	3,678	52,354	(23,831)
Cash and cash equivalents at beginning of the period	78,414	54,582	(23,831)	78,414
Increase in cash and cash equivalents due to a share exchange transaction		55,894	55,894	
Cash and cash equivalents at end of the period	29,737	114,154	84,416	54,582

4. Production, Orders Received and Sales Performance

(1) Production

The following table shows production by business segment in the Nine Months ended December 31, 2004 and the year ended March 31, 2004.

Business segment	Classification	For the Nine Months ended December 31, 2004	For the year ended March 31, 2004
Crude oil and natural gas	Crude oil	Millions of barrels 52.1 (Thousands of barrels per day) (189.4)	Millions of barrels 21.8 (Thousands of barrels per day) (59.8)
	Natural gas	BCF 219.0 (Millions of CF per day) (796.2)	BCF 297.3 (Millions of CF per day) (814.5)
	Total	Millions of BOE 88.6 (Thousands of BOE per day) (322.1)	Millions of BOE 71.4 (Thousands of BOE per day) (195.5)

- Notes:
1. The production volume of crude oil/natural gas involved in the production sharing contracts entered into by the INPEX Group refers to the total volume of crude oil or natural gas: Production that corresponded to the net economic take of our group.
 2. As for Japan Oil Development Co., Ltd., which was integrated by the Company in May 2004, its production volume from April 1, 2004 is included in the figures above. The production by its affiliates accounted for by the equity method has been also included.
 3. We acquired equity in Angola Japan Oil Co., Ltd., AJOCO Exploration Co., Ltd. and AJOCO'91 Exploration Co., Ltd., in September 2004, and these three companies have become equity-method affiliates of the Company. The above figures include their production volumes since April 2004.
 4. BOE means barrels of oil equivalent.

(2) Orders received

The Company has no production on order.

(3) Sales performance

- a) We take back the full amount of crude oil produced under production-sharing contracts, and primarily sell it domestically to Japanese power companies and refining companies. We sell natural gas in the form of LNG and LPG to Japanese power companies and urban gas companies through PERTAMINA and also sell a part to customers in South Korea, Taiwan and other countries. In addition, we sell natural gas as crude gas to the Indonesian market through PERTAMINA.
- b) Classified sales performance for each period were as follows:

(Millions of yen)

Business segment	Classification	For the Nine Months ended December 31, 2003 (A)	For the Nine Months ended December 31, 2004 (B)	Fluctuation (B)-(A)	For the year ended March 31, 2004
Crude oil and natural gas	Crude oil	50,372	205,508	155,136	68,783
	Natural gas	111,799	134,356	22,556	150,047
	Total	162,172	339,865	177,692	218,831

Note: The above amounts do not include consumption taxes.