

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, 2005	188,705	28.8	119,538	47.8	123,225	56.3	57,071	63.0
December 31, 2004	146,467	17.7	80,897	14.2	78,816	34.9	35,009	55.6
For the year ended								
March 31, 2005	202,729		113,556		112,584		50,765	

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

(Qualitative Information on Consolidated Financial Results)

During the nine months ended December 31, 2005, consolidated net sales increased ¥150,472 million, or 44.3%, to ¥490,338 million from the corresponding period of the previous year. Consolidated net sales of crude oil increased ¥107,339 million, or 52.2%, to ¥312,848 million. Consolidated net sales of natural gas increased ¥43,133 million, or 32.1%, to ¥177,490 million. The average crude oil price for the nine months ended December 31, 2005 was US\$54.41 per barrel, an increase of US\$16.45 per barrel, or 43.3%, over the corresponding period of the previous year. The average yen against U.S. dollar for the nine months ended December 31, 2005 was ¥112.11 per U.S. dollar with the depreciation of ¥3.62 per U.S. dollar, or 3.3%, from the corresponding period of the previous year. The increase in consolidated net sales of crude oil and natural gas is mainly due to the following factors; despite the slight decrease in sales volume of natural gas, the sales volume of crude oil increased 1,819 thousands bbl, or 3.7%, to 51,211 thousands bbl which reflect an increase in production volume of crude oil at ADMA Block and ACG Oil Field resulting in the increase of net sales in amount of ¥5.1 billion; there were positive impact on net sales in amount of ¥129.5 billion due to rising prices of crude oil and natural gas; and there were positive impact on net sales in amount of ¥15.8 billion due to the depreciation of yen.

Cost of sales for the nine months ended December 31, 2005 increased ¥36,504 million, or 26.2%, to ¥175,972 million from the corresponding period of the previous year. Exploration expenses increased ¥1,960 million, or 136.5%, to ¥3,397 million. Selling, general and administrative expenses increased ¥1,093 million, or 14.0%, to ¥8,911 million. As a result, operating income increased ¥110,913 million, or 58.0%, to ¥302,056 million. Other income for the nine months ended December 31, 2005 increased ¥3,962 million, or 103.4%, to ¥7,793 million. Other expenses decreased ¥3,588 million, or 18.3%, to ¥16,026 million. As a consequence, ordinary income for the nine months ended December 31, 2005, increased ¥118,464 million, or 67.6%, to ¥293,823 million. Income taxes – current increased ¥81,826 million, or 61.3%, to ¥215,207 million from the corresponding period of the previous year mainly due to the increased amount of foreign tax payments because of increase of taxable income and the change in tax scheme for crude oil production at a certain field of ADMA Block. As a result of above effects, consolidated net income for the nine months ended December 31, 2005, increased ¥31,849 million, or 57.9%, to ¥86,817 million.

(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, 2005	953,690	492,803	51.7	256,690.62
As of December 31, 2004	738,087	390,588	52.9	203,449.37
As of March 31, 2005	779,227	411,295	52.8	214,163.98

Note:

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

As of December 31, 2005; 1,919,832 shares

As of December 31, 2004; 1,919,833 shares

As of March 31, 2005; 1,919,832 shares

(Consolidated cash flows)

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

	Operating activities	Investing activities	Financing activities	Cash and cash equivalents at end of the period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
For the nine months ended				
December 31, 2005	161,674	(198,703)	32,865	130,097
December 31, 2004	94,221	(93,377)	7,544	114,154
For the year ended				
March 31, 2005	131,206	(119,956)	9,791	128,375

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, 2005	477,789	428,232	89.6
As of December 31, 2004	399,199	361,502	90.6
As of March 31, 2005	417,978	377,222	90.2

(Qualitative Information on Consolidated Financial Position)

Consolidated total assets increased ¥174,462 million to ¥953,690 million as of December 31, 2005 from ¥779,227 million as of March 31, 2005. Current assets increased ¥8,974 million to ¥247,394 million mainly due to increases in cash and deposits. Fixed assets increased ¥165,487 million to ¥706,295 million mainly due to increases in investment securities and recoverable accounts under production sharing.

Total liabilities increased ¥92,024 million to ¥424,673 million, minority interests in consolidated subsidiaries increased ¥930 million to ¥36,213 million and shareholders' equity increased ¥81,507 million to ¥492,803 million.

As for cash flows during the nine months ended December 31, 2005, net cash provided by operating activities increased ¥67,452 million to ¥161,674 million from the corresponding period of the previous year mainly due to the price rises of crude oil and natural gas. Meanwhile, net cash used for investing activities increased ¥105,325 million to ¥198,703 million due to increases in investing securities and increases in development expenditure. After adding ¥32,865 million in net cash provided by financing activities and ¥5,885 million for the effect of foreign exchange rate changes on cash and cash equivalents, the increase in cash and cash equivalents during the nine months ended December 31, 2005 totaled ¥1,722 million.

Cash and cash equivalents at the end of the nine months ended December 31, 2005, totaled ¥130,097 million by adding an increase in cash and cash equivalents during the period and ¥128,375 million at the end of the previous fiscal year.

[Accompanied materials]

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

[Reference]

Projected Operating Results for FY2006 (April 1, 2005 through March 31, 2006)

	Net sales	Ordinary income	Net income	Net income per share
	Millions of yen	Millions of yen	Millions of yen	Yen
Consolidated	674,000	391,000	105,000	54,692.29
Non-consolidated	257,000	163,000	75,000	39,065.92

Reference:

1. The projected net income per share for FY2006, the year ending March 31, 2006, is calculated based on the expected number of shares issued and outstanding of 1,919,832 at March 31, 2006.
2. The above forecasts are calculated based on the following assumptions:

Crude oil price (Brent)	4 th Quarter*	US\$60.00/bbl (Second-Half* US\$58.89/bbl)
Foreign currency exchange rates	4 th Quarter*	¥115/US\$ (Second-Half* ¥116.18/US\$)

*4th Quarter : January 1, 2006- March 31, 2006

Second-Half : October 1, 2005- March 31, 2006

Our crude oil prices are different for each crude oil, and there are also price difference between our crude oil price and price of Brent. Price differential are caused by quality of crude oil and other factors. Also, its pricing range is not constant due to the market conditions. The price differences between our crude oil and Brent have spread in the recent market. In most cases, our 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. Condensed Consolidated Balance Sheets

(Millions of yen)

Accounts	As of March 31, 2005 (A)		As of December 31, 2005 (B)		Increase/ (decrease) (B)-(A)	As of December 31, 2004	
	Amounts	Ratio	Amounts	Ratio		Amounts	Ratio
(Assets)		%		%			%
Current assets							
Cash and deposits	136,575		141,277		4,702	122,714	
Accounts receivable-trade	53,339		51,713		(1,625)	43,165	
Marketable securities	18,391		18,851		460	16,941	
Other	30,114		35,551		5,437	16,025	
Total current assets	238,419	30.6	247,394	26.0	8,974	198,846	27.0
Fixed assets							
Tangible fixed assets	68,260	8.8	66,057	6.9	(2,203)	68,843	9.3
Intangible assets	138,631	17.8	138,632	14.5	0	139,041	18.8
Investments and other assets							
Investment securities	118,354		228,342		109,987	116,162	
Recoverable accounts under production sharing	239,618		292,629		53,010	237,922	
Other	22,561		27,490		4,929	26,467	
Less allowance for recoverable accounts under production sharing	(41,518)		(41,588)		(70)	(45,030)	
Less allowance for investments in exploration	(5,101)		(5,268)		(167)	(4,166)	
Total investments and other assets	333,915	42.8	501,606	52.6	167,690	331,356	44.9
Total fixed assets	540,807	69.4	706,295	74.0	165,487	539,241	73.0
Total assets	779,227	100.0	953,690	100.0	174,462	738,087	100.0
(Liabilities)							
Current liabilities							
Accounts payable	20,129		18,965		(1,164)	15,659	
Current portion of long-term debt	2,262		3,076		813	1,164	
Income taxes payable	49,938		71,759		21,821	47,717	
Other	50,579		58,685		8,105	34,343	
Total current liabilities	122,910	15.8	152,486	16.0	29,576	98,884	13.4
Long-term liabilities							
Long-term debt	175,603		232,406		56,803	182,218	
Other	34,134		39,779		5,644	33,386	
Total long-term liabilities	209,738	26.9	272,186	28.5	62,447	215,604	29.2
Total liabilities	332,648	42.7	424,673	44.5	92,024	314,489	42.6
(Minority interests)							
Minority interests in consolidated subsidiaries	35,283	4.5	36,213	3.8	930	33,009	4.5
(Shareholders' equity)							
Capital stock	29,460	3.8	29,460	3.1	—	29,460	4.0
Additional paid-in capital	62,402	8.0	62,402	6.5	—	62,402	8.4
Retained earnings	320,089	41.1	399,091	41.9	79,001	298,579	40.5
Unrealized holding gain on securities	374	0.0	956	0.1	581	409	0.0
Translation adjustments	(1,031)	(0.1)	892	0.1	1,923	(263)	(0.0)
Treasury stock	(0)	(0.0)	(0)	(0.0)	—	—	—
Total shareholders' equity	411,295	52.8	492,803	51.7	81,507	390,588	52.9
Total liabilities, minority interests and shareholders' equity	779,227	100.0	953,690	100.0	174,462	738,087	100.0

2. Condensed Consolidated Statements of Income

(Millions of yen)

Accounts	For the nine months ended December 31, 2004 (A)		For the nine months ended December 31, 2005 (B)		Increase/ (decrease) (B) - (A)	For the year ended March 31, 2005	
	Amounts	Ratio	Amounts	Ratio		Amounts	Ratio
Net sales	339,865	100.0	490,338	100.0	150,472	478,586	100.0
Cost of sales	139,467	41.0	175,972	35.9	36,504	197,094	41.2
Gross profit	200,397	59.0	314,365	64.1	113,967	281,492	58.8
Exploration expenses	1,436	0.4	3,397	0.7	1,960	2,473	0.5
Selling, general and administrative expenses	7,817	2.3	8,911	1.8	1,093	10,356	2.2
Operating income	191,143	56.3	302,056	61.6	110,913	268,662	56.1
Other income	3,830	1.1	7,793	1.6	3,962	4,783	1.0
Interest income	2,709		5,427		2,718	4,060	
Equity in earnings of affiliates	22		1,480		1,457	—	
Other	1,098		884		(213)	678	
Other expenses	19,614	5.8	16,026	3.3	(3,588)	14,769	3.1
Interest expense	2,053		4,517		2,463	2,983	
Equity in losses of affiliates	—		—		—	1,583	
Provision for allowance for recoverable accounts under production sharing	337		535		197	518	
Amortization of exploration and development rights	1,333		91		(1,241)	1,606	
Foreign exchange loss	11,332		9,816		(1,516)	2,859	
Other	4,557		1,065		(3,492)	5,217	
Ordinary income	175,359	51.6	293,823	59.9	118,464	258,631	54.0
Income before income taxes and minority interests	175,359	51.6	293,823	59.9	118,464	258,631	54.0
Income taxes-current	133,381	39.2	215,207	43.9	81,826	187,405	39.1
Income taxes-deferred	(10,337)	(3.0)	(8,645)	(1.8)	1,692	(4,798)	(1.0)
Minority interests	(2,652)	(0.8)	443	0.1	3,095	(468)	(0.1)
Net income	54,967	16.2	86,817	17.7	31,849	76,493	16.0

3. Condensed Consolidated Statements of Cash Flows

(Millions of yen)

Accounts	For the nine months ended December 31, 2004 (A)	For the nine months ended December 31, 2005 (B)	Increase/ (Decrease) (B) - (A)	For the year ended March 31, 2005
	Amounts	Amounts	Amounts	Amounts
Cash flows from operating activities				
Income before income taxes and minority interests	175,359	293,823	118,464	258,631
Depreciation and amortization	8,335	11,127	2,791	12,960
Provision for allowance for recoverable accounts under production sharing	354	706	352	573
Interest and dividend income	(2,797)	(5,595)	(2,798)	(4,203)
Interest expense	2,053	4,517	2,463	2,983
Foreign exchange (gain) loss	9,260	6,418	(2,841)	(474)
Equity in (earnings) losses of affiliates	(22)	(1,480)	(1,457)	1,583
Accounts receivable	(10,632)	1,625	12,258	(20,806)
Recovery of recoverable accounts under production sharing (capital expenditure)	26,177	31,739	5,561	38,375
Recoverable accounts under production sharing (operating expenditures)	(5,775)	(3,726)	2,048	(7,721)
Other	6,791	12,758	5,966	14,900
Subtotal	209,104	351,913	142,808	296,802
Interest and dividends received	3,131	5,606	2,474	4,831
Interest paid	(1,986)	(4,031)	(2,045)	(2,596)
Income taxes paid	(116,028)	(191,814)	(75,785)	(167,831)
Net cash provided by operating activities	94,221	161,674	67,452	131,206
Cash flows from investing activities				
Proceeds from sales of marketable securities	15,053	13,000	(2,053)	18,896
Purchase of tangible fixed assets	(8,356)	(7,797)	559	(11,116)
Proceeds from sales of tangible fixed assets	295	176	(118)	352
Purchase of investment securities	(50,294)	(121,203)	(70,908)	(63,753)
Investment in recoverable accounts under production sharing (capital expenditures)	(49,556)	(78,318)	(28,761)	(65,236)
Other	(518)	(4,561)	(4,042)	902
Net cash used in investing activities	(93,377)	(198,703)	(105,325)	(119,956)

Accounts	For the nine months ended December 31, 2004 (A)	For the nine months ended December 31, 2005 (B)	Increase/ (Decrease) (B) - (A)	For the year ended March 31, 2005
	Amounts	Amounts	Amounts	Amounts
Cash flows from financing activities				
Proceeds from long-term debt	13,298	43,688	30,390	15,611
Proceeds from minority interests for additional shares	1,398	629	(769)	1,488
Cash dividends paid	(5,892)	(7,679)	(1,787)	(5,892)
Other	(1,260)	(3,772)	(2,511)	(1,416)
Net cash provided by financing activities	7,544	32,865	25,321	9,791
Effect of exchange rate changes on cash and cash equivalents	(4,709)	5,885	10,595	(3,142)
Net increase in cash and cash equivalents	3,678	1,722	(1,955)	17,898
Cash and cash equivalents at beginning of the period	54,582	128,375	73,793	54,582
Increase in cash and cash equivalents due to a share exchange transaction	55,894	—	(55,894)	55,894
Cash and cash equivalents at end of the period	114,154	130,097	15,943	128,375

4. Production, Orders Received and Sales Performance

(1) Production

The following table shows production by business segment:

Business segment	Classification	For the Nine Months ended December 31, 2004	For the Nine Months ended December 31, 2005
Crude oil and natural gas	Crude oil	Millions of barrels 52.1 (Thousands of barrels per day) (189.4)	Millions of barrels 55.1 (Thousands of barrels per day) (200.4)
	Natural gas	BCF 219.0 (Millions of CF per day) (796.2)	BCF 213.9 (Millions of CF per day) (777.9)
	Total	Millions of BOE 88.6 (Thousands of BOE per day) (322.1)	Millions of BOE 90.8 (Thousands of BOE per day) (330.1)

- Notes:
1. The production volume of crude oil includes LPG.
 2. The production by the Company's affiliates accounted for by the equity method is included in the figures above. Also, the production is a result for the nine months ended December 31 regardless of a closing date on the basis of fiscal periods of its subsidiaries or affiliates.
 3. The production volume of crude oil and natural gas involved in the production sharing contracts entered by the INPEX Group corresponds to the net economic take of our group.
 4. Production of Japan Oil Development Co., Ltd. that merged in May 2004 has been included from April 2004.
 5. BOE means barrels of oil equivalent.

(2) Orders received

The Company has no production by order.

(3) Sales performance

- a) We take back substantially all the 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 to the Indonesian and other markets.
- b) The following table shows sales performance by business segment:

Business segment	Classification	(Millions of yen)			
		For the Nine Months ended December 31, 2004 (A)	For the Nine Months ended December 31, 2005 (B)	Increase/ (Decrease) (B) - (A)	For the year ended March 31, 2005
Crude oil and natural gas	Crude oil	205,508	312,848	107,339	293,143
	Natural gas	134,356	177,490	43,133	185,443
	Total	339,865	490,338	150,472	478,586

- Note:
1. LPG, which uses a natural gas as materials, is included in natural gas.
 2. The above amounts do not include related consumption taxes.
 3. An increase in actual sales is due to a rise in the price of oil and natural gas.
 4. The Company's subsidiaries of which closing date for fiscal year is December 31 are principally consolidated their operating result for the nine months ended September 30. However, the significant effects of the difference in fiscal periods were properly adjusted in consolidation. For Japan Oil Development Co., Ltd., we consolidated their operating results, prepared for consolidation purposes, for the nine months ended December 31.