

Consolidated Financial Results for the Six Months ended September 30, 2014 [Japanese GAAP]

November 7, 2014

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

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 Preparation of supplementary explanatory materials : Yes
 Meeting of quarterly financial results presentation : Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded off)

1. Consolidated Financial Results for the Six Months ended September 30, 2014 (April 1, 2014-September 30, 2014)

(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	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
For the six months ended September 30, 2014	663,140	1.9	346,731	0.7	368,497	5.1	88,747	10.8
September 30, 2013	650,478	12.4	344,234	1.8	350,645	(3.6)	80,080	(28.1)

(Note): Consolidated comprehensive income: for the six months ended September 30, 2014, ¥127,577 million; ((22.1)%)
 for the six months ended September 30, 2013, ¥163,753 million; (94.1%)

	Net income per share—basic	Net income per share—diluted
	Yen	Yen
For the six months ended September 30, 2014	60.77	—
September 30, 2013	54.84	—

(Note): The Company conducted a stock split at a ratio of 1:400 of common stock with October 1, 2013 as the effective date. Net income per share is calculated based on the assumption that the stock split was conducted on April 1, 2013.

(2) Consolidated financial position

	Total assets	Net assets	Net assets excluding minority interests as a percentage of total assets
	Millions of yen	Millions of yen	%
As of September 30, 2014	4,223,741	3,121,655	68.8
As of March 31, 2014	4,038,139	2,996,036	69.1

(Reference): Net assets excluding minority interests: as of September 30, 2014, ¥2,906,075 million
 as of March 31, 2014, ¥2,791,108 million

2. Dividends

	Cash dividends per share				
	At 1st quarter end	At 2nd quarter end	At 3rd quarter end	At fiscal year end	Total
	Yen	Yen	Yen	Yen	Yen
For the year ended March 31, 2014	—	3,600.00	—	9.00	—
For the year ending March 31, 2015	—	9.00			
For the year ending March 31, 2015 (forecast)			—	9.00	18.00

(Note): 1. Changes in projected dividends for the year ending March 31, 2015 from the previous forecast: None
 2. The amount of 2nd quarter-end dividend for the fiscal year ended March 31, 2014 is provided before taking into consideration the effect of the stock split conducted at a ratio of 1:400 of common stock with October 1, 2013 as the effective date.
 3. Above information of "Dividends" is regarding common stock. For information regarding Class A stock (which is not listed), please refer to Exhibit "Dividends of Class A stock."

3. Forecasted Consolidated Financial Results for the year ending March 31, 2015 (April 1, 2014-March 31, 2015)

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

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
For the year ending March 31, 2015	1,262,000	(5.4)	592,000	(19.3)	656,000	(12.5)	160,000	(12.9)	109.56

(Note): Changes in forecasted consolidated financial results for the year ending March 31, 2015 from the previous forecast: Yes

Notes

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

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

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

1. Changes in accounting policies resulting from the revision of the accounting standards and other regulations : Yes

2. Other changes in accounting policies : None

3. Changes in accounting estimates : None

4. Restatement of corrections : None

(Note): Please refer to “2.(3) Changes in accounting policies, accounting estimates and restatement of corrections” on page 4 for further information.

(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 September 30, 2014

(including treasury stock): 1,462,323,600 shares as of March 31, 2014

2. Number of treasury stock at the end of the period: 1,966,400 shares as of September 30, 2014

1,966,400 shares as of March 31, 2014

3. Average number of shares: 1,460,357,200 shares for the six months ended September 30, 2014

1,460,357,200 shares for the six months ended September 30, 2013

(Note): The Company conducted a stock split at a ratio of 1:400 of common stock with October 1, 2013 as the effective date. Number of shares issued is calculated based on the assumption that the stock split was conducted on April 1, 2013. For Class A stock (which is not listed), no stock split was implemented.

* Indication of quarterly review procedure implementation status

This quarterly earnings report is exempt from quarterly review procedure under the Financial Instruments and Exchange Act. The review procedure for quarterly consolidated financial statements under the Financial Instruments and Exchange Act has not been completed at the time of disclosure of this report.

* 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 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
For the year ended March 31, 2014	Yen —	Yen 3,600.00	Yen —	Yen 3,600.00	Yen 7,200.00
For the year ending March 31, 2015	—	3,600.00			
For the year ending March 31, 2015 (forecast)			—	3,600.00	7,200.00

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

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1. Qualitative Information / Financial Statements

(1) Explanation on Consolidated Financial Results

During the six months ended September 30, 2014, consolidated net sales were ¥663.1 billion (increased by ¥12.6 billion, or 1.9%, from the corresponding period of the previous fiscal year) due to the depreciation of Japanese yen against U.S. dollar. Net sales of crude oil increased by ¥10.8 billion, or 2.5%, to ¥437.6 billion, and net sales of natural gas increased by ¥1.9 billion, or 0.9%, to ¥216.7 billion. Sales volume of crude oil decreased by 530 thousand barrels, or 1.3%, to 40,048 thousand barrels. Sales volume of natural gas decreased by 7,614 million cf, or 4.8%, to 152,056 million cf. Sales volume of overseas natural gas decreased by 7,913 million cf, or 6.1%, to 122,362 million cf, and sales volume of domestic natural gas increased by 8 million m³, or 1.0%, to 796 million m³ (29,694 million cf). The average sales price of overseas crude oil decreased by US\$0.46, or 0.4%, to US\$105.75 per barrel, and the average sales price of overseas natural gas decreased by US\$0.05, or 0.4%, to US\$12.78 per thousand cf. Meanwhile, the average sales price of domestic natural gas increased by ¥7.46, or 15.0%, to ¥57.14 per m³. The average exchange rate of Japanese yen against U.S. dollar on consolidated net sales depreciated by ¥4.05, or 4.1%, to ¥102.82 per U.S. dollar from the corresponding period of the previous fiscal year.

The increase of ¥12.6 billion in net sales was mainly derived from the following factors: regarding net sales of crude oil and natural gas, decrease in sales volume pushing sales down of ¥15.9 billion, increase in sales price contributing ¥4.9 billion to the increase, the depreciation of Japanese yen against U.S. dollar contributing ¥23.8 billion to the increase, and a decrease in net sales excluding crude oil and natural gas of ¥0.1 billion.

Cost of sales for the six months ended September 30, 2014 increased by ¥8.5 billion, or 3.4%, to ¥257.8 billion due to increase in depreciation and amortization mainly in the ADMA block and the depreciation of Japanese yen against U.S. dollar. Exploration expenses decreased by ¥1.1 billion, or 7.0%, to ¥15.5 billion due mainly to a decrease in exploration activities in the Middle East and Africa regions. Selling, general and administrative expenses increased by ¥2.7 billion, or 6.8%, to ¥43.0 billion. As a result, operating income increased by ¥2.4 billion, or 0.7%, to ¥346.7 billion.

Other income increased by ¥11.8 billion, or 64.3%, to ¥30.1 billion due to increases in foreign exchange gain and equity in earnings of affiliates. Other expenses decreased by ¥3.5 billion, or 29.6%, to ¥8.4 billion. As a result, ordinary income and income before income taxes and minority interests increased by ¥17.8 billion, or 5.1%, to ¥368.4 billion.

Total amount of current income taxes increased by ¥50.5 billion, or 22.2%, to ¥278.3 billion, and deferred income taxes were ¥(0.3) billion, income before minority interests increased by ¥10.2 billion, or 12.7%, to ¥90.5 billion, and minority interests were ¥1.7 billion. As a result of the above effects, net income for the six months ended September 30, 2014 increased by ¥8.6 billion, or 10.8%, to ¥88.7 billion from the corresponding period of the previous fiscal year.

Financial results by segment are as follows:

1) Japan

Net sales increased by ¥6.6 billion, or 12.8%, to ¥58.7 billion due to increases in sales volume of natural gas and sales price of natural gas. Operating income increased by ¥1.3 billion, or 21.5%, to ¥7.7 billion.

2) Asia & Oceania

Net sales decreased by ¥9.6 billion, or 4.0%, to ¥228.8 billion due to decreases in sales volume and others, despite the depreciation of Japanese yen against U.S. dollar. Operating income increased by ¥3.3 billion, or 2.8%, to ¥120.3 billion due to decreases in operating expenses and others.

3) Eurasia (Europe & NIS)

Net sales increased by ¥7.3 billion, or 13.6%, to ¥61.4 billion due to an increase in sales volume and the depreciation of Japanese yen against U.S. dollar, despite a decrease in sales price of crude oil. Operating income decreased by ¥0.1 billion, or 0.6%, to ¥26.1 billion due to increases in operating expenses and others.

4) Middle East & Africa

Net sales increased by ¥6.9 billion, or 2.3%, to ¥307.8 billion due to the depreciation of Japanese yen against U.S. dollar, despite decreases in sales volume and sales price of crude oil. Operating income increased by ¥1.5 billion, or 0.8%, to ¥205.2 billion.

5) Americas

Net sales increased by ¥1.3 billion, or 26.6%, to ¥6.2 billion due to an increase in sales price of natural gas and the depreciation of Japanese yen against U.S. dollar, despite a decrease in sales volume. Operating loss increased by ¥3.4 billion, or 83.1%, to ¥7.5 billion due to an increase in exploration expenses and others.

(2) Explanation on Consolidated Financial Position

Total assets as of September 30, 2014 increased by ¥185.6 billion to ¥4,223.7 billion from ¥4,038.1 billion as of March 31, 2014. This is due mainly to an increase in tangible fixed assets by ¥231.7 billion owing to an increase in construction in progress.

Meanwhile, total liabilities increased by ¥59.9 billion to ¥1,102.0 billion from ¥1,042.1 billion as of March 31, 2014. Current liabilities increased by ¥10.1 billion to ¥385.8 billion and long-term liabilities increased by ¥49.8 billion to ¥716.2 billion.

Net assets increased by ¥125.6 billion to ¥3,121.6 billion. Minority interests in net assets increased by ¥10.6 billion to ¥215.5 billion.

Cash and cash equivalents as of September 30, 2014 totaled ¥129.0 billion reflecting a net increase of ¥11.5 billion from ¥117.5 billion at the end of the previous fiscal year.

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

1) Cash flows from operating activities

Net cash provided by operating activities was ¥119.2 billion (increased by ¥48.0 billion from the corresponding period of the previous fiscal year). This is due mainly to an increase in income before income taxes and minority interests and a decrease in income taxes paid.

2) Cash flows from investing activities

Net cash used in investing activities decreased by ¥74.2 billion to ¥114.2 billion. This is due mainly to an increase in proceeds from time deposits and a decrease in payments for long-term time deposits, despite a decrease in proceeds from sales and redemptions of marketable securities and an increase in payments for purchases of tangible fixed assets.

3) Cash flows from financing activities

Net cash provided by financing activities decreased by ¥22.1 billion to ¥3.2 billion. This is due mainly to a decrease in proceeds from long-term debt.

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

Forecasts for consolidated financial results for the year ending March 31, 2015 have been revised from the previous forecasts presented on August 6, 2014, taking into consideration the consolidated financial results for the six months ended September 30, 2014.

Forecasts for consolidated financial results for the year ending March 31, 2015

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income
Previous Forecasts: A	1,316,000	635,000	701,000	178,000
Revised Forecasts: B	1,262,000	592,000	656,000	160,000
Increase (Decrease): B – A	(54,000)	(43,000)	(45,000)	(18,000)
Percentage change (%)	(4.1)	(6.8)	(6.4)	(10.1)

The above forecasts are calculated based on the following assumptions:

	Previous Forecasts	Revised Forecasts
Crude oil price (Brent)	1st quarter (actual) : US\$109.8/bbl From 2nd quarter: US\$105.0/bbl Full Year : US\$106.2/bbl (Average)	1st Half (April 1, 2014 – September 30, 2014) US\$106.6/bbl (Actual) 2nd Half (October 1, 2014 – March 31, 2015) US\$85.0/bbl Full Year (April 1, 2014 – March 31, 2015) US\$95.8/bbl (Average)
Exchange rate	1st quarter (actual) : ¥102.2/US\$ From 2nd quarter: ¥100.0/US\$ Full Year : ¥100.5/US\$ (Average)	1st Half (April 1, 2014 – September 30, 2014) ¥103.0/US\$ (Actual) 2nd Half (October 1, 2014 – March 31, 2015) ¥110.0/US\$ Full Year (April 1, 2014 – March 31, 2015) ¥106.5/US\$ (Average)

Note: Crude oil prices at which the Company sells products depend on the type of crude oil, and there are also price differences between the crude oil price and Brent price. Price differences are caused by its quality and its pricing range which is affected by the market conditions. Most of the crude oil prices the Company sells are lower than Brent price.

2. Notes Regarding Summary Information (Notes)

(1) Significant changes in scope of consolidation:

None

(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) Adoption of the Accounting Standard for Retirement Benefits

Effective the three months ended June 30, 2014, the Company has applied provisions described in the main clause of Section 35 of the “Accounting Standard for Retirement Benefits” (Accounting Standards Board of Japan Statement No.26, issued on May 17, 2012) and the main clause of Section 67 of the “Guidance on Accounting Standard for Retirement Benefits” (ASBJ Guidance No.25, issued on May 17, 2012) and has changed the calculation methods for retirement benefit obligations and service costs. The method of attributing expected retirement benefits to periods has been revised from the straight-line method to the benefit formula method, and the method of determining the discount rate has been revised from a method based on an approximation of the employees’ average remaining service period to a method of using a single weighted average discount rate reflecting the estimated payment period and the amount for each estimated payment period of the retirement benefit.

In accordance with transitional accounting treatments as stated in Section 37 of the Accounting Standard, the impact of the changes in calculation methods for retirement benefit obligations and service costs has been recognized as an adjustment to retained earnings at the beginning of the six months ended September 30, 2014.

As a result, liability for retirement benefits decreased by ¥246 million while retained earnings increased by ¥235 million as of April 1, 2014. The impact on operating income, ordinary income and income before income taxes and minority interests for the six months ended September 30, 2014 was immaterial.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Millions of yen)

Accounts	As of March 31, 2014	As of September 30, 2014
(Assets)		
Current assets		
Cash and deposits	650,187	775,336
Accounts receivable-trade	110,395	113,364
Marketable securities	201,000	191,486
Inventories	25,485	30,034
Other	170,779	192,536
Less allowance for doubtful accounts	(17,643)	(17,700)
Total current assets	1,140,204	1,285,056
Fixed assets		
Tangible fixed assets		
Buildings and structures, net	145,936	141,145
Wells, net	25,348	24,436
Machinery, equipment and vehicles, net	112,898	108,543
Land	19,736	19,723
Construction in progress	626,520	858,570
Other, net	21,339	31,111
Total tangible fixed assets	951,779	1,183,529
Intangible assets		
Goodwill	81,080	77,699
Other	358,098	360,920
Total intangible assets	439,178	438,620
Investments and other assets		
Investment securities	476,407	374,531
Recoverable accounts under production sharing	685,990	720,675
Other	472,175	354,978
Less allowance for doubtful accounts	(885)	(876)
Less allowance for recoverable accounts under production sharing	(123,483)	(130,201)
Less allowance for investments in exploration	(3,226)	(2,573)
Total investments and other assets	1,506,977	1,316,534
Total fixed assets	2,897,935	2,938,684
Total assets	4,038,139	4,223,741

(Millions of yen)

Accounts	As of March 31, 2014	As of September 30, 2014
(Liabilities)		
Current liabilities		
Accounts payable-trade	46,811	54,636
Short-term loans	21,954	28,024
Income taxes payable	91,198	88,890
Provision for exploration projects	9,816	8,447
Accrued bonuses to officers	110	54
Asset retirement obligations	2,353	1,775
Other	203,425	204,019
Total current liabilities	375,670	385,848
Long-term liabilities		
Long-term debt	561,674	591,784
Liability for retirement benefits	7,793	7,591
Provision for loss on business	6,977	7,420
Accrued special repair and maintenance	234	212
Asset retirement obligations	25,954	43,296
Other	63,798	65,931
Total long-term liabilities	666,432	716,237
Total liabilities	1,042,102	1,102,085
(Net assets)		
Shareholders' equity		
Common stock	290,809	290,809
Capital surplus	679,287	679,287
Retained earnings	1,532,876	1,608,715
Treasury stock	(5,248)	(5,248)
Total shareholders' equity	2,497,725	2,573,564
Accumulated other comprehensive income		
Unrealized holding gain on securities	44,737	44,651
Unrealized loss from hedging instruments	(17,578)	(25,724)
Translation adjustments	266,224	313,583
Total accumulated other comprehensive income	293,382	332,510
Minority interests	204,928	215,580
Total net assets	2,996,036	3,121,655
Total liabilities and net assets	4,038,139	4,223,741

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

(Millions of yen)

Accounts	For the six months ended September 30, 2013	For the six months ended September 30, 2014
Net sales	650,478	663,140
Cost of sales	249,245	257,826
Gross profit	401,232	405,313
Exploration expenses	16,678	15,508
Selling, general and administrative expenses	40,319	43,074
Operating income	344,234	346,731
Other income		
Interest income	8,783	5,388
Dividend income	2,198	2,260
Equity in earnings of affiliates	—	7,971
Foreign exchange gain	—	5,302
Other	7,389	9,268
Total other income	18,372	30,191
Other expenses		
Interest expense	1,140	1,233
Equity in losses of affiliates	3,442	—
Provision for allowance for recoverable accounts under production sharing	416	4,902
Provision for exploration projects	620	1
Foreign exchange loss	1,261	—
Other	5,080	2,287
Total other expenses	11,961	8,425
Ordinary income	350,645	368,497
Income before income taxes and minority interests	350,645	368,497
Income taxes-current	227,771	278,365
Income taxes-deferred	42,584	(388)
Total income taxes	270,356	277,976
Income before minority interests	80,288	90,520
Minority interests	207	1,773
Net income	80,080	88,747

Consolidated Statement of Comprehensive Income

(Millions of yen)

Accounts	For the six months ended September 30, 2013	For the six months ended September 30, 2014
Income before minority interests	80,288	90,520
Other comprehensive income		
Unrealized holding gain (loss) on securities	18,115	(80)
Unrealized loss from hedging instruments	(20,887)	—
Translation adjustments	98,306	46,702
Share of other comprehensive income of associates accounted for by the equity method	(12,068)	(9,564)
Total other comprehensive income	83,465	37,057
Comprehensive income	163,753	127,577
Total comprehensive income attributable to		
Shareholders of INPEX CORPORATION	160,852	127,874
Minority interests	2,900	(296)

(3) Consolidated Statement of Cash Flows

(Millions of yen)

Accounts	For the six months ended September 30, 2013	For the six months ended September 30, 2014
Cash flows from operating activities		
Income before income taxes and minority interests	350,645	368,497
Depreciation and amortization	23,958	25,635
Amortization of goodwill	3,380	3,380
Provision for allowance for recoverable accounts under production sharing	5,892	7,231
Provision for exploration projects	(15,898)	(1,363)
Provision for accrued retirement benefits to employees	122	—
Other provisions	765	(371)
Liability for retirement benefits	—	47
Interest and dividend income	(10,982)	(7,649)
Interest expense	1,140	1,233
Foreign exchange loss (gain)	6,040	2,038
Equity in (earnings) losses of affiliates	3,442	(7,971)
Recovery of recoverable accounts under production sharing (capital expenditures)	30,903	36,663
Recoverable accounts under production sharing (operating expenditures)	(20,937)	(33,158)
Accounts receivable-trade	(8,701)	(3,075)
Inventories	(6,525)	(4,609)
Accounts payable-trade	4,819	7,798
Other	(15,775)	(10,388)
Subtotal	352,288	383,939
Interest and dividends received	10,600	12,803
Interest paid	(952)	(1,186)
Income taxes paid	(290,715)	(276,307)
Net cash provided by operating activities	71,220	119,249

(Millions of yen)

Accounts	For the six months ended September 30, 2013	For the six months ended September 30, 2014
Cash flows from investing activities		
Payments for time deposits	(70,032)	(142,565)
Proceeds from time deposits	98,409	318,297
Payments for long-term time deposits	(296,390)	(112,181)
Proceeds from long-term time deposits	15,000	—
Payments for purchases of tangible fixed assets	(139,149)	(228,017)
Proceeds from sales of tangible fixed assets	263	28
Payments for purchases of intangible assets	(2,366)	(2,475)
Proceeds from sales and redemptions of marketable securities	179,680	89,052
Payments for purchases of investment securities	(10,275)	(20,036)
Proceeds from sales and redemptions of investment securities	62,433	44,010
Investment in recoverable accounts under production sharing (capital expenditures)	(53,743)	(38,626)
Decrease (increase) in short-term loans receivable	(3,190)	(3,009)
Long-term loans made	(17,333)	(2,110)
Collection of long-term loans receivable	74,368	92
Payments for purchase of mining rights	(27,076)	(17,873)
Other	914	1,128
Net cash used in investing activities	(188,489)	(114,287)
Cash flows from financing activities		
Increase in short-term loans	654	572
Proceeds from long-term debt	36,403	11,797
Repayments of long-term debt	(1,887)	(6,830)
Proceeds from minority interests for additional shares	6,954	14,887
Cash dividends paid	(12,775)	(13,144)
Dividends paid to minority shareholders	(3,939)	(3,939)
Other	(16)	(90)
Net cash provided by financing activities	25,393	3,253
Effect of exchange rate changes on cash and cash equivalents	48,082	3,331
Net increase (decrease) in cash and cash equivalents	(43,793)	11,546
Cash and cash equivalents at beginning of the period	199,858	117,530
Cash and cash equivalents at end of the period	156,064	129,077

(4) Notes to Consolidated Financial Statements

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

For the six months ended September 30, 2014 (April 1, 2014 through September 30, 2014):

None

(Note on significant changes in shareholders' equity)

For the six months ended September 30, 2014 (April 1, 2014 through September 30, 2014):

None

(Segment information)

I. For the six months ended September 30, 2013 (April 1, 2013 through September 30, 2013)

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	52,099	238,430	54,106	300,879	4,961	650,478	—	650,478
Intercompany sales and transfers between segments	—	—	—	—	—	—	—	—
Total	52,099	238,430	54,106	300,879	4,961	650,478	—	650,478
Segment income (loss)	6,340	117,026	26,258	203,715	(4,145)	349,195	(4,961)	344,234

Notes: 1. Adjustments of segment income of ¥ (4,961) million include elimination of inter-segment transactions of ¥113 million and corporate expenses of ¥ (5,074) million. Corporate expenses are mainly amortization of goodwill and general administrative expenses that are not allocated to a reportable segment.

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

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

None

II. For the six months ended September 30, 2014 (April 1, 2014 through September 30, 2014)

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	58,754	228,806	61,466	307,829	6,282	663,140	—	663,140
Intercompany sales and transfers between segments	—	—	—	—	—	—	—	—
Total	58,754	228,806	61,466	307,829	6,282	663,140	—	663,140
Segment income (loss)	7,700	120,353	26,107	205,266	(7,591)	351,836	(5,104)	346,731

Notes: 1. Adjustments of segment income of ¥ (5,104) million include elimination of inter-segment transactions of ¥105 million and corporate expenses of ¥ (5,210) million. Corporate expenses are mainly amortization of goodwill and general administrative expenses that are not allocated to a reportable segment.

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

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

None

(Subsequent events)

For the six months ended September 30, 2014 (April 1, 2014 through September 30, 2014):

None

4. Supplementary Information

(1) Production, Orders Received and Sales Performance

1) Actual production

The following table shows actual production by segment:

Segment	Category	For the six months ended September 30, 2013	For the six months ended September 30, 2014
Japan	Crude oil	0.6 MMbbls (3.3 Mbbls per day)	0.5 MMbbls (2.9 Mbbls per day)
	Natural gas	20.2 Bcf (110.3 MMcf per day)	19.1 Bcf (104.4 MMcf per day)
	Subtotal	4.4 MMboe (24.0 Mboe per day)	4.1 MMboe (22.5 Mboe per day)
	Iodine	225.4 tons	239.5 tons
	Electric power generation	113.8 million kWh	111.4 million kWh
Asia & Oceania	Crude oil	8.5 MMbbls (46.3 Mbbls per day)	6.3 MMbbls (34.6 Mbbls per day)
	Natural gas	116.8 Bcf (638.3 MMcf per day)	122.5 Bcf (669.5 MMcf per day)
	Subtotal	30.5 MMboe (166.4 Mboe per day)	29.4 MMboe (160.9 Mboe per day)
Eurasia (Europe & NIS)	Crude oil	4.8 MMbbls (26.4 Mbbls per day)	4.6 MMbbls (25.2 Mbbls per day)
Middle East & Africa	Crude oil	30.6 MMbbls (167.2 Mbbls per day)	30.4 MMbbls (166.0 Mbbls per day)
Americas	Crude oil	0.2 MMbbls (1.3 Mbbls per day)	0.4 MMbbls (2.4 Mbbls per day)
	Natural gas	18.7 Bcf (102.0 MMcf per day)	18.3 Bcf (99.9 MMcf per day)
	Subtotal	3.5 MMboe (19.3 Mboe per day)	3.7 MMboe (20.1 Mboe per day)
Total	Crude oil	44.8 MMbbls (244.5 Mbbls per day)	42.3 MMbbls (231.0 Mbbls per day)
	Natural gas	155.7 Bcf (850.6 MMcf per day)	159.9 Bcf (873.8 MMcf per day)
	Subtotal	73.8 MMboe (403.4 Mboe per day)	72.2 MMboe (394.7 Mboe per day)
	Iodine	225.4 tons	239.5 tons
	Electric power generation	113.8 million kWh	111.4 million kWh

- 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 six months ended September 30 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 60.2 MMbbls (328.9 Mbbls per day) of crude oil, 211.1 Bcf (1,153.4 MMcf per day) of natural gas, and in total 99.8 MMboe (545.1 Mboe per day) for the six months ended September 30, 2013, and 57.5 MMbbls (314.5 Mbbls per day) of crude oil, 208.1 Bcf (1,137.3 MMcf per day) of natural gas, and in total 96.7 MMboe (528.4 Mboe per day) for the six months ended September 30, 2014.
 5. Boe means barrels of oil equivalent.
 6. Iodine is refined by other company on consignment.
 7. Figures are rounded to one decimal place.

2) Orders received

Disclosure on this information is omitted because the amount of orders received is accounted for a minor portion of total sales.

3) Actual sales

The following table shows sales by segment:

(Millions of yen)

Segment	Category	For the six months ended September 30, 2013		For the six months ended September 30, 2014	
		Sales volume	Net sales	Sales volume	Net sales
Japan	Crude oil	383 Mbbls	4,074	404 Mbbls	4,578
	Natural gas (excluding LPG)	29,395 MMcf	39,126	29,694 MMcf	45,465
	LPG	4 Mbbls	32	2 Mbbls	22
	Other		8,865		8,687
	Subtotal		52,099		58,754
Asia & Oceania	Crude oil	6,552 Mbbls	67,445	5,683 Mbbls	63,625
	Natural gas (excluding LPG)	110,432 MMcf	160,175	103,482 MMcf	154,272
	LPG	1,459 Mbbls	10,809	1,358 Mbbls	10,908
	Subtotal		238,430		228,806
Eurasia (Europe & NIS)	Crude oil	4,978 Mbbls	54,106	5,538 Mbbls	61,466
Middle East & Africa	Crude oil	28,644 Mbbls	300,879	28,409 Mbbls	307,829
Americas	Crude oil	21 Mbbls	270	15 Mbbls	153
	Natural gas (excluding LPG)	19,844 MMcf	4,691	18,880 MMcf	6,129
	Subtotal		4,961		6,282
Total	Crude oil	40,578 Mbbls	426,776	40,048 Mbbls	437,653
	Natural gas (excluding LPG)	159,671 MMcf	203,993	152,056 MMcf	205,868
	LPG	1,462 Mbbls	10,842	1,361 Mbbls	10,930
	Other		8,865		8,687
	Total		650,478		663,140

- Notes:
- The above amounts do not include the related consumption tax.
 - The Company's subsidiaries of which closing date for fiscal year is December 31 are principally consolidated their operating results for the six months ended June 30 except those subsidiaries prepared their financial statements for consolidation purpose as of the consolidation closing date. However, the significant effects of the difference in fiscal periods were properly adjusted in consolidation.
 - Sales volumes are rounded to the nearest whole number.
 - Sales for a major customer and sales as a percentage of total net sales are as follows. Sales amount of PERTAMINA consists mostly of natural gas, and they are sold to Japanese, Korean, and Taiwanese customers in the form of LNG.

Customer	For the six months ended September 30, 2013		For the six months ended September 30, 2014	
	Amounts (Millions of yen)	Ratio (%)	Amounts (Millions of yen)	Ratio (%)
PERTAMINA	102,928	15.8	93,534	14.1
Idemitsu Kosan Co., Ltd.	59,229	9.1	89,432	13.5