

Consolidated Financial Results for the Nine Months ended December 31, 2014 [Japanese GAAP]

February 6, 2015

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 <http://www.inpex.co.jp>
Representative : Toshiaki Kitamura, President
Contact person : Kimihisa Kittaka, General Manager, Corporate Communications Unit
TEL+81-3-5572-0233

Scheduled date of filing Quarterly Financial Report : February 10, 2015

Scheduled date of payment of cash dividends : —

Preparation of supplementary explanatory materials : Yes

Meeting of quarterly financial results presentation : No

(Amounts less than one million yen are rounded off)

1. Consolidated Financial Results for the Nine Months ended December 31, 2014 (April 1, 2014-December 31, 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 nine months ended								
December 31, 2014	926,597	(7.1)	452,698	(17.3)	492,358	(9.5)	101,783	(4.9)
December 31, 2013	996,901	12.2	547,277	6.8	543,748	5.1	107,068	(22.0)

(Note): Consolidated comprehensive income: for the nine months ended December 31, 2014, ¥288,225 million; (9.0%)
for the nine months ended December 31, 2013, ¥264,318 million; (46.6%)

	Net income per share—basic		Net income per share—diluted	
	Yen	Yen	Yen	Yen
For the nine months ended				
December 31, 2014	69.70	—	—	—
December 31, 2013	73.32	—	—	—

(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 December 31, 2014	4,460,303	3,269,796	68.4
As of March 31, 2014	4,038,139	2,996,036	69.1

(Reference): Net assets excluding minority interests: as of December 31, 2014, ¥3,052,676 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 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	1,153,000	(13.6)	505,000	(31.2)	551,000	(26.5)	120,000	(34.7)	82.17

(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 (including treasury stock): 1,462,323,600 shares as of December 31, 2014
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 December 31, 2014
1,966,400 shares as of March 31, 2014
3. Average number of shares: 1,460,357,200 shares for the nine months ended December 31, 2014
1,460,357,200 shares for the nine months ended December 31, 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
	Yen	Yen	Yen	Yen	Yen
For the year ended March 31, 2014	—	3,600.00	—	3,600.00	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

* 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.

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. Notes Regarding Summary Information (Notes)	4
(1) Significant changes in scope of consolidation	4
(2) Adoption of accounting treatments which are exceptional for quarterly consolidated financial statements	4
(3) Changes in accounting policies, accounting estimates and restatement of corrections	4
3. Consolidated Financial Statements	5
(1) Consolidated Balance Sheet	5
(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income	7
Consolidated Statement of Income	7
Consolidated Statement of Comprehensive Income	8
(3) Consolidated Statement of Cash Flows	9
(4) Notes to Consolidated Financial Statements	11
(Conditions or events that indicate there could be substantial doubt about the Company's ability to continue as a going concern)	11
(Note on significant changes in shareholders' equity)	11
(Segment information)	12
(Subsequent events)	12
4. Supplementary Information	13
(1) Production, Orders Received and Sales Performance	13

1. Qualitative Information/Financial Statements

(1) Explanation on Consolidated Financial Results

During the nine months ended December 31, 2014, consolidated net sales were ¥926.5 billion (decreased by ¥70.3 billion, or 7.1%, from the corresponding period of the previous fiscal year) due to decreases in sales prices of crude oil and natural gas, and sales volume. Net sales of crude oil decreased by ¥59.0 billion, or 9.1%, to ¥590.9 billion, and net sales of natural gas decreased by ¥10.8 billion, or 3.3%, to ¥321.5 billion. Sales volume of crude oil decreased by 1,827 thousand barrels, or 3.0%, to 58,562 thousand barrels. Sales volume of natural gas decreased by 15,172 million cf, or 6.3%, to 226,605 million cf. Sales volume of overseas natural gas decreased by 15,524 million cf, or 7.9%, to 179,839 million cf, and sales volume of domestic natural gas increased by 9 million m³, or 0.8%, to 1,253 million m³ (46,765 million cf). The average sales price of overseas crude oil decreased by US\$12.49, or 11.6%, to US\$95.27 per barrel, and the average sales price of overseas natural gas decreased by US\$0.81, or 6.2%, to US\$12.24 per thousand cf. On the other hand, the average sales price of domestic natural gas increased by ¥7.12, or 14.2%, to ¥57.19 per m³. The average exchange rate of Japanese yen against U.S. dollar on consolidated net sales depreciated by ¥6.14, or 6.2%, to ¥105.57 per U.S. dollar from the corresponding period of the previous fiscal year.

The decrease of ¥70.3 billion in net sales was mainly derived from the following factors: regarding net sales of crude oil and natural gas, decreases in sales volume and unit sales price pushing sales down of ¥39.0 billion and ¥79.3 billion, respectively, the depreciation of Japanese yen against U.S. dollar contributing ¥48.5 billion to the increase, and a decrease in net sales excluding crude oil and natural gas of ¥0.4 billion.

Cost of sales for the nine months ended December 31, 2014 increased by ¥22.5 billion, or 6.2%, to ¥388.7 billion due mainly to the depreciation of Japanese yen against U.S. dollar. Exploration expenses decreased by ¥0.4 billion, or 2.0%, to ¥21.3 billion due mainly to a decrease in exploration activities in the Middle East and Africa region. Selling, general and administrative expenses increased by ¥2.1 billion, or 3.5%, to ¥63.7 billion. As a result, operating income decreased by ¥94.5 billion, or 17.3%, to ¥452.6 billion.

Other income increased by ¥37.8 billion, or 145.3%, to ¥63.9 billion due to increases in gain on transfer of mining rights, foreign exchange gain and equity in earnings of affiliates. Other expenses decreased by ¥5.2 billion, or 17.9%, to ¥24.3 billion. As a result, ordinary income and income before income taxes and minority interests decreased by ¥51.3 billion, or 9.5%, to ¥492.3 billion.

Total amount of current income taxes decreased by ¥5.2 billion, or 1.4%, to ¥375.8 billion, and deferred income taxes were ¥14.1 billion, income before minority interests decreased by ¥5.6 billion, or 5.2%, to ¥102.3 billion, and minority interests were ¥0.6 billion. As a result of the above effects, net income for the nine months ended December 31, 2014 decreased by ¥5.2 billion, or 4.9%, to ¥101.7 billion from the corresponding period of the previous fiscal year.

Financial results by segment are as follows:

1) Japan

Net sales increased by ¥8.8 billion, or 10.6%, to ¥91.7 billion due to an increase in sales price of natural gas. Operating income decreased by ¥1.6 billion, or 16.5%, to ¥8.1 billion due mainly to an increase in depreciation and amortization.

2) Asia & Oceania

Net sales decreased by ¥40.3 billion, or 11.2%, to ¥320.2 billion due to decreases in sales volume, and sales prices of crude oil and natural gas, despite the depreciation of Japanese yen against U.S. dollar. Operating income decreased by ¥40.5 billion, or 20.6%, to ¥156.1 billion.

3) Eurasia (Europe & NIS)

Net sales increased by ¥1.6 billion, or 2.2%, to ¥77.0 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 ¥4.9 billion, or 15.2%, to ¥27.7 billion due to an increase in operating expenses and others.

4) Middle East & Africa

Net sales decreased by ¥42.1 billion, or 8.9%, to ¥428.5 billion due to decreases in sales volume and sales price of crude oil, despite the depreciation of Japanese yen against U.S. dollar. Operating income decreased by ¥40.7 billion, or 12.7%, to ¥280.3 billion.

5) Americas

Net sales increased by ¥1.7 billion, or 23.9%, to ¥8.9 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. Meanwhile, operating loss increased by ¥6.7 billion, or 128.4%, to ¥12.0 billion due to an increase in exploration expenses and others.

(2) Explanation on Consolidated Financial Position

Total assets as of December 31, 2014 increased by ¥422.1 billion to ¥4,460.3 billion from ¥4,038.1 billion as of March 31, 2014. This is due mainly to an increase in tangible fixed assets by ¥426.6 billion owing to an increase in construction in progress. Meanwhile, total liabilities increased by ¥148.4 billion to ¥1,190.5 billion from ¥1,042.1 billion as of March 31, 2014. Current liabilities increased by ¥1.0 billion to ¥376.7 billion and long-term liabilities increased by ¥147.3 billion to ¥813.7 billion. Net assets increased by ¥273.7 billion to ¥3,269.7 billion. Minority interests in net assets increased by ¥12.1 billion to ¥217.1 billion.

Cash and cash equivalents as of December 31, 2014 totaled ¥303.3 billion reflecting a net increase of ¥185.8 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 ¥130.3 billion (increased by ¥3.4 billion from the corresponding period of the previous fiscal year). This is due mainly to decreases in accounts receivable-trade and income taxes paid, despite an increase in income before income taxes and minority interests.

2) Cash flows from investing activities

Net cash provided by investing activities increased by ¥337.9 billion to ¥40.8 billion. This is due mainly to an increase in proceeds from time deposits and a decrease in payments for long-term time deposits, despite an increase in payments for purchase of tangible fixed assets.

3) Cash flows from financing activities

Net cash used in financing activities increased by ¥45.2 billion to ¥4.4 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 November 7, 2014, taking into consideration the consolidated financial results for the nine months ended December 31, 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	1,262,000	592,000	656,000	160,000
Revised Forecasts: B	1,153,000	505,000	551,000	120,000
Increase (Decrease): B-A	(109,000)	(87,000)	(105,000)	(40,000)
Percentage change (%)	(8.6)	(14.7)	(16.0)	(25.0)

The above forecasts are calculated based on the following assumptions:

	Previous Forecasts	Revised Forecasts
Crude oil price (Brent)	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)	1st Half (April 1, 2014-September 30, 2014): US\$106.6/bbl (Actual) 2nd Half (October 1, 2014-March 31, 2015): US\$63.5/bbl Full Year (April 1, 2014-March 31, 2015): US\$85.1/bbl (Average)
Exchange rate	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)	1st Half (April 1, 2014-September 30, 2014): ¥103.0/US\$ (Actual) 2nd Half (October 1, 2014-March 31, 2015): ¥117.2/US\$ Full Year (April 1, 2014-March 31, 2015): ¥110.1/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 nine months ended December 31, 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 nine months ended December 31, 2014 was immaterial.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Millions of yen)

Accounts	As of March 31, 2014	As of December 31, 2014
(Assets)		
Current assets		
Cash and deposits	650,187	914,084
Accounts receivable-trade	110,395	103,656
Marketable securities	201,000	174,844
Inventories	25,485	36,935
Other	170,779	188,891
Less allowance for doubtful accounts	(17,643)	(11,814)
Total current assets	1,140,204	1,406,596
Fixed assets		
Tangible fixed assets		
Buildings and structures, net	145,936	139,305
Wells, net	25,348	27,608
Machinery, equipment and vehicles, net	112,898	107,128
Land	19,736	19,743
Construction in progress	626,520	1,049,815
Other, net	21,339	34,779
Total tangible fixed assets	951,779	1,378,380
Intangible assets		
Goodwill	81,080	76,009
Other	358,098	368,149
Total intangible assets	439,178	444,159
Investments and other assets		
Investment securities	476,407	344,517
Recoverable accounts under production sharing	685,990	733,631
Other	472,175	298,673
Less allowance for doubtful accounts	(885)	(8,383)
Less allowance for recoverable accounts under production sharing	(123,483)	(134,659)
Less allowance for investments in exploration	(3,226)	(2,612)
Total investments and other assets	1,506,977	1,231,166
Total fixed assets	2,897,935	3,053,706
Total assets	4,038,139	4,460,303

(Millions of yen)

Accounts	As of March 31, 2014	As of December 31, 2014
(Liabilities)		
Current liabilities		
Accounts payable-trade	46,811	56,242
Short-term loans	21,954	31,094
Income taxes payable	91,198	72,094
Provision for exploration projects	9,816	9,254
Accrued bonuses to officers	110	81
Asset retirement obligations	2,353	604
Other	203,425	207,388
Total current liabilities	375,670	376,759
Long-term liabilities		
Long-term debt	561,674	646,487
Liability for retirement benefits	7,793	7,710
Provision for loss on business	6,977	8,171
Accrued special repair and maintenance	234	211
Asset retirement obligations	25,954	79,197
Other	63,798	71,968
Total long-term liabilities	666,432	813,747
Total liabilities	1,042,102	1,190,506
(Net assets)		
Shareholders' equity		
Common stock	290,809	290,809
Capital surplus	679,287	679,287
Retained earnings	1,532,876	1,608,609
Treasury stock	(5,248)	(5,248)
Total shareholders' equity	2,497,725	2,573,458
Accumulated other comprehensive income		
Unrealized holding gain on securities	44,737	56,109
Unrealized loss from hedging instruments	(17,578)	(33,537)
Translation adjustments	266,224	456,645
Total accumulated other comprehensive income	293,382	479,217
Minority interests	204,928	217,120
Total net assets	2,996,036	3,269,796
Total liabilities and net assets	4,038,139	4,460,303

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

(Millions of yen)

Accounts	For the nine months ended December 31, 2013	For the nine months ended December 31, 2014
Net sales	996,901	926,597
Cost of sales	366,259	388,786
Gross profit	630,642	537,810
Exploration expenses	21,745	21,319
Selling, general and administrative expenses	61,618	63,792
Operating income	547,277	452,698
Other income		
Interest income	13,220	8,695
Dividend income	3,264	3,033
Equity in earnings of affiliates	—	9,245
Gain on transfer of mining rights	797	18,310
Foreign exchange gain	—	6,821
Other	8,804	17,877
Total other income	26,087	63,984
Other expenses		
Interest expense	1,702	2,092
Equity in losses of affiliates	1,915	—
Provision for allowance for recoverable accounts under production sharing	4,670	10,157
Provision for exploration projects	827	1,097
Foreign exchange loss	11,590	—
Loss on disposal of fixed assets	40	6,242
Other	8,867	4,734
Total other expenses	29,616	24,324
Ordinary income	543,748	492,358
Income before income taxes and minority interests	543,748	492,358
Income taxes-current	381,076	375,818
Income taxes-deferred	54,666	14,154
Total income taxes	435,742	389,973
Income before minority interests	108,005	102,385
Minority interests	937	601
Net income	107,068	101,783

Consolidated Statement of Comprehensive Income

(Millions of yen)

Accounts	For the nine months ended December 31, 2013	For the nine months ended December 31, 2014
Income before minority interests	108,005	102,385
Other comprehensive income		
Unrealized holding gain on securities	30,443	11,375
Unrealized loss from hedging instruments	(20,887)	—
Translation adjustments	167,158	188,635
Share of other comprehensive income of associates accounted for by the equity method	(20,402)	(14,171)
Total other comprehensive income	156,312	185,839
Comprehensive income	264,318	288,225
Total comprehensive income attributable to		
Shareholders of INPEX CORPORATION	260,320	287,618
Minority interests	3,997	606

(3) Consolidated Statement of Cash Flows

(Millions of yen)

Accounts	For the nine months ended December 31, 2013	For the nine months ended December 31, 2014
Cash flows from operating activities		
Income before income taxes and minority interests	543,748	492,358
Depreciation and amortization	36,623	37,874
Amortization of goodwill	5,070	5,070
Provision for allowance for recoverable accounts under production sharing	11,425	13,135
Provision for exploration projects	(18,511)	(688)
Provision for accrued retirement benefits to employees	165	—
Other provisions	1,353	1,266
Liability for retirement benefits	—	159
Interest and dividend income	(16,485)	(11,728)
Interest expense	1,702	2,092
Foreign exchange loss (gain)	17,615	6,825
Equity in (earnings) losses of affiliates	1,915	(9,245)
Gain on transfer of mining rights	(797)	(18,310)
Recovery of recoverable accounts under production sharing (capital expenditures)	48,801	54,430
Recoverable accounts under production sharing (operating expenditures)	(38,025)	(50,413)
Accounts receivable-trade	(16,167)	7,178
Inventories	(11,041)	(6,696)
Accounts payable-trade	9,261	9,331
Other	(45,134)	(24,610)
Subtotal	531,519	508,030
Interest and dividends received	20,108	21,016
Interest paid	(1,391)	(1,228)
Income taxes paid	(423,310)	(397,429)
Net cash provided by operating activities	126,925	130,388

(Millions of yen)

Accounts	For the nine months ended December 31, 2013	For the nine months ended December 31, 2014
Cash flows from investing activities		
Payments for time deposits	(129,055)	(142,589)
Proceeds from time deposits	212,455	519,103
Payments for long-term time deposits	(355,909)	(112,181)
Proceeds from long-term time deposits	38,500	—
Payments for purchases of tangible fixed assets	(234,547)	(338,154)
Proceeds from sales of tangible fixed assets	672	124
Payments for purchases of intangible assets	(2,676)	(4,530)
Proceeds from sales and redemptions of marketable securities	205,680	147,088
Payments for purchases of investment securities	(20,834)	(25,667)
Proceeds from sales and redemptions of investment securities	62,433	65,914
Investment in recoverable accounts under production sharing (capital expenditures)	(78,038)	(60,412)
Decrease (increase) in short-term loans receivable	(3,241)	(4,982)
Long-term loans made	(34,855)	(29,566)
Collection of long-term loans receivable	74,833	208
Payments for purchase of mining rights	(33,487)	(17,800)
Proceeds from transfer of mining rights	275	37,308
Other	687	7,017
Net cash provided by (used in) investing activities	(297,108)	40,879
Cash flows from financing activities		
Increase in short-term loans	1,633	1,580
Proceeds from long-term debt	67,238	24,939
Repayments of long-term debt	(6,144)	(16,144)
Proceeds from minority interests for additional shares	8,001	15,524
Cash dividends paid	(25,936)	(26,289)
Dividends paid to minority shareholders	(3,939)	(3,939)
Other	(64)	(137)
Net cash provided by (used in) financing activities	40,789	(4,465)
Effect of exchange rate changes on cash and cash equivalents	54,150	19,016
Net increase (decrease) in cash and cash equivalents	(75,242)	185,818
Cash and cash equivalents at beginning of the period	199,858	117,530
Cash and cash equivalents at end of the period	124,616	303,349

(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 nine months ended December 31, 2014 (April 1, 2014 through December 31, 2014):

None

(Note on significant changes in shareholders' equity)

For the nine months ended December 31, 2014 (April 1, 2014 through December 31, 2014):

None

(Segment information)

I For the nine months ended December 31, 2013 (April 1, 2013 through December 31, 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	82,971	360,629	75,404	470,704	7,191	996,901	—	996,901
Intercompany sales and transfers between segments	—	—	—	—	—	—	—	—
Total	82,971	360,629	75,404	470,704	7,191	996,901	—	996,901
Segment income (loss)	9,787	196,655	32,668	321,039	(5,257)	554,893	(7,616)	547,277

Note: 1. Adjustments of segment income of ¥(7,616) million include elimination of inter-segment transactions of ¥168 million and corporate expenses of ¥(7,784) 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 nine months ended December 31, 2014 (April 1, 2014 through December 31, 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	91,780	320,235	77,076	428,597	8,907	926,597	—	926,597
Intercompany sales and transfers between segments	—	—	—	—	—	—	—	—
Total	91,780	320,235	77,076	428,597	8,907	926,597	—	926,597
Segment income (loss)	8,176	156,133	27,703	280,334	(12,009)	460,338	(7,639)	452,698

Note: 1. Adjustments of segment income of ¥(7,639) million include elimination of inter-segment transactions of ¥157 million and corporate expenses of ¥(7,797) 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 nine months ended December 31, 2014 (April 1, 2014 through December 31, 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 nine months ended December 31, 2013	For the nine months ended December 31, 2014
Japan	Crude oil	0.9 MMbbls (3.2 Mbbls per day)	0.8 MMbbls (2.8 Mbbls per day)
	Natural gas	29.9 Bcf (108.9 MMcf per day)	28.1 Bcf (102.1 MMcf per day)
	Subtotal	6.5 MMboe (23.7 Mboe per day)	6.1 MMboe (22.0 Mboe per day)
	Iodine	339.4 tons	346.6 tons
	Electric power generation	162.9 million kWh	148.8 million kWh
Asia & Oceania	Crude oil	12.7 MMbbls (46.2 Mbbls per day)	11.1 MMbbls (40.5 Mbbls per day)
	Natural gas	179.6 Bcf (653.1 MMcf per day)	180.1 Bcf (654.9 MMcf per day)
	Subtotal	46.5 MMboe (169.2 Mboe per day)	45.2 MMboe (164.5 Mboe per day)
Eurasia (Europe & NIS)	Crude oil	7.2 MMbbls (26.3 Mbbls per day)	7.1 MMbbls (25.8 Mbbls per day)
Middle East & Africa	Crude oil	46.1 MMbbls (167.7 Mbbls per day)	46.1 MMbbls (167.8 Mbbls per day)
Americas	Crude oil	0.4 MMbbls (1.5 Mbbls per day)	0.6 MMbbls (2.3 Mbbls per day)
	Natural gas	29.7 Bcf (107.9 MMcf per day)	28.9 Bcf (104.9 MMcf per day)
	Subtotal	5.6 MMboe (20.4 Mboe per day)	5.7 MMboe (20.9 Mboe per day)
Total	Crude oil	67.3 MMbbls (244.9 Mbbls per day)	65.8 MMbbls (239.2 Mbbls per day)
	Natural gas	239.2 Bcf (869.9 MMcf per day)	237.0 Bcf (861.9 MMcf per day)
	Subtotal	112.0 MMboe (407.3 Mboe per day)	110.2 MMboe (400.9 Mboe per day)
	Iodine	339.4 tons	346.6 tons
	Electric power generation	162.9 million kWh	148.8 million kWh

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

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

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

Also the production volume is a result for the nine months ended December 31 regardless of a closing date of fiscal periods of its subsidiaries or affiliates.

4. The production volume of crude oil and natural gas under the production sharing contracts entered into by INPEX Group corresponds to the net economic take of the group.

Figures calculated by multiplying the gross production volume by the Company's interest share are 89.9 MMbbls (326.8 Mbbls per day) of crude oil, 322.1 Bcf (1,171.4 MMcf per day) of natural gas, and in total 150.2 MMboe (546.3 Mboe per day) for the nine months ended December 31, 2013, and 85.8 MMbbls (312.1 Mbbls per day) of crude oil, 303.5 Bcf (1,103.7 MMcf per day) of natural gas, and in total 143.0 MMboe (519.9 Mboe per day) for the nine months ended December 31, 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 nine months ended December 31, 2013		For the nine months ended December 31, 2014	
		Sales volume	Net sales	Sales volume	Net sales
Japan	Crude oil	572 Mbbls	6,119	556 Mbbls	6,028
	Natural gas (excluding LPG)	46,414 MMcf	62,276	46,765 MMcf	71,668
	LPG	6 Mbbls	56	5 Mbbls	42
	Other		14,519		14,041
	Subtotal		82,971		91,780
Asia & Oceania	Crude oil	9,122 Mbbls	97,332	7,498 Mbbls	79,040
	Natural gas (excluding LPG)	166,125 MMcf	246,324	151,837 MMcf	224,201
	LPG	2,175 Mbbls	16,972	2,200 Mbbls	16,993
	Subtotal		360,629		320,235
Eurasia (Europe & NIS)	Crude oil	6,867 Mbbls	75,404	7,427 Mbbls	77,076
Middle East & Africa	Crude oil	43,794 Mbbls	470,704	43,060 Mbbls	428,597
Americas	Crude oil	33 Mbbls	422	21 Mbbls	220
	Natural gas (excluding LPG)	29,238 MMcf	6,769	28,002 MMcf	8,687
	Subtotal		7,191		8,907
Total	Crude oil	60,389 Mbbls	649,983	58,562 Mbbls	590,963
	Natural gas (excluding LPG)	241,776 MMcf	315,370	226,605 MMcf	304,557
	LPG	2,181 Mbbls	17,028	2,205 Mbbls	17,035
	Other		14,519		14,041
	Total		996,901		926,597

Note: 1. 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 nine months ended December 31 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 nine months ended December 31, 2013		For the nine months ended December 31, 2014	
	Amounts (Millions of yen)	Ratio (%)	Amounts (Millions of yen)	Ratio (%)
PERTAMINA	163,057	16.4	134,021	14.5
Idemitsu Kosan Co.,Ltd.	110,728	11.1	122,037	13.2