

Consolidated Financial Results for the Three Months ended June 30, 2014 [Japanese GAAP]

August 6, 2014

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

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(Amounts less than one million yen are rounded off)

1. Consolidated Financial Results for the Three Months ended June 30, 2014 (April 1, 2014-June 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 three months ended June 30, 2014	341,170	12.8	178,997	13.7	194,089	28.9	52,447	74.9
June 30, 2013	302,505	(2.7)	157,377	(15.9)	150,624	(27.3)	29,988	(57.1)

(Note): Consolidated comprehensive income: for the three months ended June 30, 2014, ¥31,724 million; ((65.3%)
 for the three months ended June 30, 2013, ¥91,404 million; (64.3%)

	Net income per share—basic	Net income per share—diluted
	Yen	Yen
For the three months ended June 30, 2014	35.91	—
June 30, 2013	20.54	—

(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 June 30, 2014	4,069,288	3,023,739	69.0
As of March 31, 2014	4,038,139	2,996,036	69.1

(Reference): Net assets excluding minority interests: as of June 30, 2014, ¥2,808,907 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	—				
For the year ending March 31, 2015 (forecast)		9.00	—	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 six months ending September 30, 2014	658,000	1.2	330,000	(4.1)	354,000	1.0	90,000	12.4	61.63
For the year ending March 31, 2015	1,316,000	(1.4)	635,000	(13.4)	701,000	(6.5)	178,000	(3.1)	121.89

(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 5 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 June 30, 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 June 30, 2014
1,966,400 shares as of March 31, 2014
3. Average number of shares: 1,460,357,200 shares for the three months ended June 30, 2014
1,460,357,200 shares for the three months ended June 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 4.

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	—				
For the year ending March 31, 2015 (forecast)		3,600.00	—	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 three months ended June 30, 2014, consolidated net sales were ¥341.1 billion (increased by ¥38.6 billion, or 12.8%, from the corresponding period of the previous fiscal year) due to increases in sales volume of crude oil and sales prices of crude oil and natural gas, and the depreciation of Japanese yen against U.S. dollar. Net sales of crude oil increased by ¥35.8 billion, or 18.8%, to ¥226.4 billion, and net sales of natural gas increased by ¥1.8 billion, or 1.7%, to ¥109.7 billion. Sales volume of crude oil increased by 1,629 thousand barrels, or 8.7%, to 20,319 thousand barrels. Sales volume of natural gas decreased by 5,836 million cf, or 7.2%, to 75,512 million cf. Sales volume of overseas natural gas decreased by 6,125 million cf, or 9.2%, to 60,354 million cf, and sales volume of domestic natural gas increased by 8 million m³, or 1.9%, to 406 million m³ (15,158 million cf). The average sales price of overseas crude oil increased by US\$5.78, or 5.6%, to US\$108.84 per barrel, and the average sales price of overseas natural gas increased by US\$0.51, or 4.1%, to US\$13.10 per thousand cf. Meanwhile, the average sales price of domestic natural gas increased by ¥8.27, or 16.8%, to ¥57.51 per m³. The average exchange rate of Japanese yen against U.S. dollar on consolidated net sales depreciated by ¥3.34, or 3.4%, to ¥101.99 per U.S. dollar from the corresponding period of the previous fiscal year.

The increase of ¥38.6 billion in net sales was mainly derived from the following factors: regarding net sales of crude oil and natural gas, increases in sales volume and unit sales price contributing ¥8.9 billion and ¥18.6 billion to the increase, respectively, the depreciation of Japanese yen against U.S. dollar contributing ¥10.1 billion to the increase, and an increase in net sales excluding crude oil and natural gas of ¥0.9 billion.

Cost of sales for the three months ended June 30, 2014 increased by ¥13.7 billion, or 11.7%, to ¥131.8 billion due to increases in royalty owing to an increase in net sales mainly in the ADMA block, depreciation and amortization and the depreciation of Japanese yen against U.S. dollar. Exploration expenses increased by ¥1.3 billion, or 18.5%, to ¥8.5 billion due mainly to an increase in exploration activities in the Americas and Oceania regions. Selling, general and administrative expenses increased by ¥1.9 billion, or 9.7%, to ¥21.7 billion. As a result, operating income increased by ¥21.6 billion, or 13.7%, to ¥178.9 billion.

Other income increased by ¥10.5 billion, or 124.5%, to ¥19.0 billion due to increases in foreign exchange gain and equity in earnings of affiliates. Other expenses decreased by ¥11.3 billion, or 74.3%, to ¥3.9 billion. As a result, ordinary income and income before income taxes and minority interests increased by ¥43.4 billion, or 28.9%, to ¥194.0 billion.

Total amount of current income taxes increased by ¥41.9 billion, or 44.0%, to ¥137.3 billion, and deferred income taxes were ¥0.4 billion, income before minority interests increased by ¥24.4 billion, or 76.9%, to ¥56.3 billion, and minority interests were ¥3.9 billion. As a result of the above effects, net income for the three months ended June 30, 2014 increased by ¥22.4 billion, or 74.9%, to ¥52.4 billion from the corresponding period of the previous fiscal year.

Financial results by segment are as follows:

1) Japan

Net sales increased by ¥5.2 billion, or 20.5%, to ¥30.6 billion due to increases in sales volume and sales price of natural gas. Operating income increased by ¥1.3 billion, or 37.8%, to ¥5.0 billion.

2) Asia & Oceania

Net sales increased by ¥1.5 billion, or 1.3%, to ¥114.9 billion due to increases in sales volume of crude oil and sales prices of crude oil and natural gas, and the depreciation of Japanese yen against U.S. dollar. Operating income increased by ¥3.2 billion, or 5.8%, to ¥58.6 billion.

3) Eurasia (Europe & NIS)

Net sales increased by ¥9.1 billion, or 34.5%, to ¥35.4 billion due to increases in sales volume and sales price of crude oil and the depreciation of Japanese yen against U.S. dollar. Operating income increased by ¥4.7 billion, or 36.9%, to ¥17.4 billion.

4) Middle East & Africa

Net sales increased by ¥21.7 billion, or 16.1%, to ¥156.7 billion due to increases in sales volume and sales price of crude oil and the depreciation of Japanese yen against U.S. dollar. Operating income increased by ¥16.0 billion, or 17.8%, to ¥106.2 billion.

5) Americas

Net sales increased by ¥1.0 billion, or 47.0%, to ¥3.3 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 of crude oil and natural gas. Operating loss increased by ¥3.6 billion, or 166.0%, to ¥5.8 billion due to an increase in exploration expenses and others.

(2) Explanation on Consolidated Financial Position

Total assets as of June 30, 2014 increased by ¥31.1 billion to ¥4,069.2 billion from ¥4,038.1 billion as of March 31, 2014. This is due mainly to an increase in tangible fixed assets by ¥83.4 billion owing to an increase in construction in progress.

Meanwhile, total liabilities increased by ¥3.4 billion to ¥1,045.5 billion from ¥1,042.1 billion as of March 31, 2014. Current liabilities increased by ¥9.9 billion to ¥385.5 billion and long-term liabilities decreased by ¥6.4 billion to ¥659.9 billion.

Net assets increased by ¥27.7 billion to ¥3,023.7 billion. Minority interests in net assets increased by ¥9.9 billion to ¥214.8 billion.

Cash and cash equivalents as of June 30, 2014 totaled ¥93.3 billion reflecting a net decrease of ¥24.1 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 ¥42.9 billion (decreased by ¥11.1 billion from the corresponding period of the previous fiscal year). This is due mainly to an increase in accounts receivable-trade despite an increase in income before income taxes.

2) Cash flows from investing activities

Net cash used in investing activities decreased by ¥6.2 billion to ¥64.9 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 collection of long-term loans receivable and an increase in payments for purchases of tangible fixed assets.

3) Cash flows from financing activities

Net cash used in financing activities increased by ¥12.9 billion to ¥1.0 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 six months ending September 30, 2014 and the year ending March 31, 2015 have been revised from the previous forecasts presented on May 9, 2014, taking into consideration the consolidated financial results for the three months ended June 30, 2014.

Forecasts for consolidated financial results for the six months ending September 30, 2014

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income
Previous Forecasts: A	643,000	309,000	336,000	80,000
Revised Forecasts: B	658,000	330,000	354,000	90,000
Increase (Decrease): B - A	15,000	21,000	18,000	10,000
Percentage change (%)	2.3	6.8	5.4	12.5

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	1,331,000	638,000	694,000	171,000
Revised Forecasts: B	1,316,000	635,000	701,000	178,000
Increase (Decrease): B - A	(15,000)	(3,000)	7,000	7,000
Percentage change (%)	(1.1)	(0.5)	1.0	4.1

The above forecasts are calculated based on the following assumptions:

	Previous Forecasts	Revised Forecasts
Crude oil price (Brent)	Full Year (April 1, 2014 - March 31, 2015) : US\$ 105.0/bbl (Average)	1st quarter (actual) : US\$ 109.8/bbl From 2nd quarter: US\$ 105.0/bbl Full Year : US\$ 106.2/bbl (Average)
Exchange rate	Full Year (April 1, 2014 - March 31, 2015) : ¥100.0/US\$ (Average)	1st quarter (actual) : ¥102.2/US\$ From 2nd quarter: ¥100.0/US\$ Full Year : ¥100.5/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 three months ended June 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 three months ended June 30, 2014 was immaterial.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Millions of yen)

Accounts	As of March 31, 2014	As of June 30, 2014
(Assets)		
Current assets		
Cash and deposits	650,187	635,295
Accounts receivable-trade	110,395	147,053
Marketable securities	201,000	184,668
Inventories	25,485	27,318
Other	170,779	188,604
Less allowance for doubtful accounts	(17,643)	(17,286)
Total current assets	1,140,204	1,165,654
Fixed assets		
Tangible fixed assets		
Buildings and structures, net	145,936	142,113
Wells, net	25,348	24,033
Machinery, equipment and vehicles, net	112,898	110,139
Land	19,736	19,672
Construction in progress	626,520	713,457
Other, net	21,339	25,769
Total tangible fixed assets	951,779	1,035,185
Intangible assets		
Goodwill	81,080	79,390
Other	358,098	352,138
Total intangible assets	439,178	431,528
Investments and other assets		
Investment securities	476,407	454,203
Recoverable accounts under production sharing	685,990	701,518
Other	472,175	411,376
Less allowance for doubtful accounts	(885)	(850)
Less allowance for recoverable accounts under production sharing	(123,483)	(126,058)
Less allowance for investments in exploration	(3,226)	(3,269)
Total investments and other assets	1,506,977	1,436,919
Total fixed assets	2,897,935	2,903,634
Total assets	4,038,139	4,069,288

(Millions of yen)

Accounts	As of March 31, 2014	As of June 30, 2014
(Liabilities)		
Current liabilities		
Accounts payable-trade	46,811	52,846
Short-term loans	21,954	25,498
Income taxes payable	91,198	85,467
Provision for exploration projects	9,816	9,049
Accrued bonuses to officers	110	31
Asset retirement obligations	2,353	1,804
Other	203,425	210,881
Total current liabilities	375,670	385,580
Long-term liabilities		
Long-term debt	561,674	551,345
Liability for retirement benefits	7,793	7,492
Provision for loss on business	6,977	6,868
Accrued special repair and maintenance	234	245
Asset retirement obligations	25,954	28,948
Other	63,798	65,068
Total long-term liabilities	666,432	659,968
Total liabilities	1,042,102	1,045,548
(Net assets)		
Shareholders' equity		
Common stock	290,809	290,809
Capital surplus	679,287	679,287
Retained earnings	1,532,876	1,572,415
Treasury stock	(5,248)	(5,248)
Total shareholders' equity	2,497,725	2,537,264
Accumulated other comprehensive income		
Unrealized holding gain on securities	44,737	44,374
Unrealized loss from hedging instruments	(17,578)	(11,242)
Translation adjustments	266,224	238,510
Total accumulated other comprehensive income	293,382	271,642
Minority interests	204,928	214,832
Total net assets	2,996,036	3,023,739
Total liabilities and net assets	4,038,139	4,069,288

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

(Millions of yen)

Accounts	For the three months ended June 30, 2013	For the three months ended June 30, 2014
Net sales	302,505	341,170
Cost of sales	118,034	131,807
Gross profit	184,470	209,362
Exploration expenses	7,236	8,575
Selling, general and administrative expenses	19,855	21,789
Operating income	157,377	178,997
Other income		
Interest income	4,726	2,328
Dividend income	1,281	1,479
Equity in earnings of affiliates	—	3,511
Foreign exchange gain	—	9,913
Other	2,458	1,774
Total other income	8,466	19,008
Other expenses		
Interest expense	616	604
Equity in losses of affiliates	2,137	—
Provision for allowance for recoverable accounts under production sharing	1,090	586
Provision for exploration projects	404	1,204
Foreign exchange loss	8,650	—
Other	2,318	1,521
Total other expenses	15,219	3,917
Ordinary income	150,624	194,089
Income before income taxes and minority interests	150,624	194,089
Income taxes-current	95,345	137,302
Income taxes-deferred	23,426	438
Total income taxes	118,772	137,741
Income before minority interests	31,852	56,347
Minority interests	1,863	3,900
Net income	29,988	52,447

Consolidated Statement of Comprehensive Income

(Millions of yen)

Accounts	For the three months ended June 30, 2013	For the three months ended June 30, 2014
Income before minority interests	31,852	56,347
Other comprehensive income		
Unrealized holding gain (loss) on securities	16,796	(363)
Unrealized loss from hedging instruments	(7,450)	—
Translation adjustments	71,629	(29,776)
Share of other comprehensive income of associates accounted for by the equity method	(21,423)	5,517
Total other comprehensive income	59,551	(24,623)
Comprehensive income	91,404	31,724
Total comprehensive income attributable to		
Shareholders of INPEX CORPORATION	87,922	30,706
Minority interests	3,481	1,017

(3) Consolidated Statement of Cash Flows

(Millions of yen)

Accounts	For the three months ended June 30, 2013	For the three months ended June 30, 2014
Cash flows from operating activities		
Income before income taxes and minority interests	150,624	194,089
Depreciation and amortization	11,835	12,886
Amortization of goodwill	1,690	1,690
Provision for allowance for recoverable accounts under production sharing	5,169	2,574
Provision for exploration projects	(2,176)	(750)
Provision for accrued retirement benefits to employees	77	—
Other provisions	55	(72)
Liability for retirement benefits	—	(51)
Interest and dividend income	(6,008)	(3,808)
Interest expense	616	604
Foreign exchange loss (gain)	9,215	(6,495)
Equity in (earnings) losses of affiliates	2,137	(3,511)
Recovery of recoverable accounts under production sharing (capital expenditures)	14,224	18,536
Recoverable accounts under production sharing (operating expenditures)	(9,704)	(13,671)
Accounts receivable-trade	6,717	(36,710)
Inventories	210	(1,904)
Accounts payable-trade	(615)	5,987
Other	19,032	10,003
Subtotal	203,103	179,396
Interest and dividends received	7,595	9,756
Interest paid	(322)	(200)
Income taxes paid	(156,250)	(146,004)
Net cash provided by operating activities	54,126	42,949

(Millions of yen)

Accounts	For the three months ended June 30, 2013	For the three months ended June 30, 2014
Cash flows from investing activities		
Payments for time deposits	(50,125)	(40,961)
Proceeds from time deposits	38,501	163,306
Payments for long-term time deposits	(133,240)	(81,698)
Proceeds from long-term time deposits	15,000	—
Payments for purchases of tangible fixed assets	(74,180)	(108,128)
Proceeds from sales of tangible fixed assets	231	27
Payments for purchases of intangible assets	(365)	(791)
Proceeds from sales and redemptions of marketable securities	85,144	35,000
Payments for purchases of investment securities	(10,217)	(5,239)
Proceeds from sales and redemptions of investment securities	33,319	15,000
Investment in recoverable accounts under production sharing (capital expenditures)	(26,364)	(20,571)
Decrease (increase) in short-term loans receivable	(690)	(972)
Long-term loans made	(14)	(2,056)
Collection of long-term loans receivable	71,167	81
Payments for purchase of mining rights	(20,222)	(17,929)
Other	874	(1)
Net cash used in investing activities	(71,182)	(64,935)
Cash flows from financing activities		
Increase in short-term loans	74	20
Proceeds from long-term debt	21,064	5,058
Repayments of long-term debt	(285)	(4,239)
Proceeds from minority interests for additional shares	1,451	8,886
Cash dividends paid	(10,356)	(10,653)
Other	(7)	(79)
Net cash provided by (used in) financing activities	11,938	(1,006)
Effect of exchange rate changes on cash and cash equivalents	28,095	(1,180)
Net increase (decrease) in cash and cash equivalents	22,977	(24,173)
Cash and cash equivalents at beginning of the period	199,858	117,530
Cash and cash equivalents at end of the period	222,836	93,357

(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 three months ended June 30, 2014 (April 1, 2014 through June 30, 2014):

None

(Note on significant changes in shareholders' equity)

For the three months ended June 30, 2014 (April 1, 2014 through June 30, 2014):

None

(Segment information)

I. For the three months ended June 30, 2013 (April 1, 2013 through June 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	25,396	113,435	26,368	135,001	2,302	302,505	—	302,505
Intercompany sales and transfers between segments	—	—	—	—	—	—	—	—
Total	25,396	113,435	26,368	135,001	2,302	302,505	—	302,505
Segment income (loss)	3,695	55,375	12,735	90,203	(2,193)	159,816	(2,438)	157,377

Notes: 1. Adjustments of segment income of ¥ (2,438) million include elimination of inter-segment transactions of ¥58 million and corporate expenses of ¥ (2,497) 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 three months ended June 30, 2014 (April 1, 2014 through June 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	30,602	114,955	35,473	156,754	3,384	341,170	—	341,170
Intercompany sales and transfers between segments	—	—	—	—	—	—	—	—
Total	30,602	114,955	35,473	156,754	3,384	341,170	—	341,170
Segment income (loss)	5,092	58,603	17,438	106,246	(5,834)	181,545	(2,548)	178,997

Notes: 1. Adjustments of segment income of ¥ (2,548) million include elimination of inter-segment transactions of ¥52 million and corporate expenses of ¥ (2,600) 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 three months ended June 30, 2014 (April 1, 2014 through June 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 three months ended June 30, 2013	For the three months ended June 30, 2014
Japan	Crude oil	0.3 MMbbls (3.3 Mbbls per day)	0.3 MMbbls (3.0 Mbbls per day)
	Natural gas	10.3 Bcf (113.3 MMcf per day)	10.1 Bcf (110.7 MMcf per day)
	Subtotal	2.2 MMboe (24.6 Mboe per day)	2.2 MMboe (23.8 Mboe per day)
	Iodine	119.3 tons	128.4 tons
	Electric power generation	55.5 million kWh	56.7 million kWh
Asia & Oceania	Crude oil	4.5 MMbbls (49.7 Mbbls per day)	3.5 MMbbls (38.2 Mbbls per day)
	Natural gas	58.3 Bcf (640.7 MMcf per day)	61.3 Bcf (673.5 MMcf per day)
	Subtotal	15.5 MMboe (170.6 Mboe per day)	15.0 MMboe (165.0 Mboe per day)
Eurasia (Europe & NIS)	Crude oil	2.4 MMbbls (26.9 Mbbls per day)	2.3 MMbbls (25.5 Mbbls per day)
Middle East & Africa	Crude oil	15.2 MMbbls (166.9 Mbbls per day)	14.7 MMbbls (162.0 Mbbls per day)
Americas	Crude oil	0.1 MMbbls (1.1 Mbbls per day)	0.2 MMbbls (2.4 Mbbls per day)
	Natural gas	9.4 Bcf (103.3 MMcf per day)	9.2 Bcf (101.3 MMcf per day)
	Subtotal	1.8 MMboe (19.4 Mboe per day)	1.9 MMboe (20.4 Mboe per day)
Total	Crude oil	22.6 MMbbls (248.0 Mbbls per day)	21.0 MMbbls (231.0 Mbbls per day)
	Natural gas	78.0 Bcf (857.4 MMcf per day)	80.6 Bcf (885.5 MMcf per day)
	Subtotal	37.2 MMboe (408.3 Mboe per day)	36.1 MMboe (396.7 Mboe per day)
	Iodine	119.3 tons	128.4 tons
	Electric power generation	55.5 million kWh	56.7 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 three months ended June 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 30.4 MMbbls (334.0 Mbbls per day) of crude oil, 106.7 Bcf (1,172.9 MMcf per day) of natural gas, and in total 50.4 MMboe (554.0 Mboe per day) for the three months ended June 30, 2013, and 28.5 MMbbls (313.0 Mbbls per day) of crude oil, 104.4 Bcf (1,147.3 MMcf per day) of natural gas, and in total 48.1 MMboe (528.7 Mboe per day) for the three months ended June 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:

Segment	Category	(Millions of yen)			
		For the three months ended June 30, 2013		For the three months ended June 30, 2014	
		Sales volume	Net sales	Sales volume	Net sales
Japan	Crude oil	178 Mbbls	1,843	210 Mbbls	2,349
	Natural gas (excluding LPG)	14,869 MMcf	19,620	15,158 MMcf	23,360
	LPG	2 Mbbls	17	2 Mbbls	14
	Other		3,915		4,877
	Subtotal		25,396		30,602
Asia & Oceania	Crude oil	2,697 Mbbls	27,333	2,826 Mbbls	31,851
	Natural gas (excluding LPG)	56,121 MMcf	80,193	50,745 MMcf	77,153
	LPG	795 Mbbls	5,908	734 Mbbls	5,950
	Subtotal		113,435		114,955
Eurasia (Europe & NIS)	Crude oil	2,519 Mbbls	26,368	3,089 Mbbls	35,473
Middle East & Africa	Crude oil	13,284 Mbbls	135,001	14,188 Mbbls	156,754
Americas	Crude oil	11 Mbbls	117	6 Mbbls	66
	Natural gas (excluding LPG)	10,358 MMcf	2,185	9,609 MMcf	3,317
	Subtotal		2,302		3,384
Total	Crude oil	18,689 Mbbls	190,663	20,319 Mbbls	226,495
	Natural gas (excluding LPG)	81,348 MMcf	101,999	75,512 MMcf	103,831
	LPG	797 Mbbls	5,926	735 Mbbls	5,965
	Other		3,915		4,877
	Total		302,505		341,170

- Notes:
1. The above amounts do not include the related consumption tax.
 2. The Company's subsidiaries of which closing date for fiscal year is December 31 are principally consolidated their operating results for the three months ended March 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.
 3. Sales volumes are rounded to the nearest whole number.
 4. 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 three months ended June 30, 2013		For the three months ended June 30, 2014	
	Amounts (Millions of yen)	Ratio (%)	Amounts (Millions of yen)	Ratio (%)
PERTAMINA	51,972	17.2	50,437	14.8
Idemitsu Kosan Co., Ltd.	21,421	7.1	46,161	13.5