

Consolidated Financial Results for the Six Months ended September 30, 2019 [Japanese GAAP]

November 6, 2019

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
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Scheduled date of filing Quarterly Financial Report : November 8, 2019

Scheduled date of payment of cash dividends : December 2, 2019

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, 2019 (April 1, 2019-September 30, 2019)

(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 attributable to owners of parent | |
|---|-----------------|-------|------------------|------|-----------------|------|---|-------|
| | Millions of Yen | % | Millions of Yen | % | Millions of Yen | % | Millions of Yen | % |
| For the six months ended September 30, 2019 | 575,269 | 31.3 | 280,715 | 24.0 | 271,104 | 9.8 | 69,487 | 104.2 |
| September 30, 2018 | 438,205 | (2.2) | 226,434 | 21.9 | 246,977 | 26.4 | 34,034 | 12.9 |

(Note): Consolidated comprehensive income: for the six months ended September 30, 2019, ¥(22,988) million; (-%)
for the six months ended September 30, 2018, ¥129,565 million; (555.3%)

| | Net income per share—basic | Net income per share—diluted |
|---|----------------------------|------------------------------|
| For the six months ended September 30, 2019 | Yen 47.59 | Yen — |
| September 30, 2018 | 23.31 | — |

(2) Consolidated financial position

| | Total assets | Net assets | Net assets excluding non-controlling interests as a percentage of total assets |
|--------------------------|---------------------------|---------------------------|--|
| As of September 30, 2019 | Millions of Yen 4,758,080 | Millions of Yen 3,212,932 | % 62.3 |
| As of March 31, 2019 | 4,793,545 | 3,257,584 | 62.7 |

(Reference): Net assets excluding non-controlling interests: as of September 30, 2019, ¥2,962,746 million
as of March 31, 2019, ¥3,006,480 million

2. Dividends

| | 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, 2019 | Yen — | Yen 9.00 | Yen — | Yen 15.00 | Yen 24.00 |
| For the year ending December 31, 2019 | — | 12.00 | | | |
| For the year ending December 31, 2019 (forecast) | | | — | 15.00 | 27.00 |

(Note): 1. Changes in projected dividends for the year ending December 31, 2019 from the previous forecast: Yes
2. Breakdown of year-end dividend for the year ended March 31, 2019: Ordinary dividend of 9.00 yen Commemorative dividend of 6.00 yen
3. "Dividends" as stated above refer to common stock. For information regarding Class A stock (not listed), please refer to Exhibit "Dividends of Class A stock".
4. For information regarding revision of dividend forecast, please refer to the press release "Revision of Dividend Forecast for the Year Ending December 31, 2019" issued today (November 6, 2019).

3. Forecasted Consolidated Financial Results for the year ending December 31, 2019 (April 1, 2019-December 31, 2019)

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

| | Net sales | | Operating income | | Ordinary income | | Net income attributable to owners of parent | | Net income per share |
|---------------------------------------|-----------------|---|------------------|---|-----------------|---|---|---|----------------------|
| | Millions of Yen | % | Millions of Yen | % | Millions of Yen | % | Millions of Yen | % | Yen |
| For the year ending December 31, 2019 | 984,000 | — | 476,000 | — | 465,000 | — | 100,000 | — | 68.48 |

(Note): Changes in forecasted consolidated financial results for the year ending December 31, 2019 from the previous forecast: Yes

At the Annual General Meeting of Shareholders held on June 25, 2019, "Partial Amendments to the Articles of Incorporation" were approved, changing the fiscal year-end from March 31 to December 31, effective fiscal 2019. The consolidated accounting period of the Company and its subsidiaries with provisional settlements of accounts* for the fiscal year ending December 2019 will therefore be the nine-month period from April 1 to December 31, 2019, while the accounting periods of subsidiaries with a December 31 fiscal year-end will remain unchanged (January 1 - December 31, 2019).

*Subsidiaries with a December 31 fiscal year-end that provisionally settled their accounts on March 31 due to the relatively large impact of their performance on the Company's consolidated financial accounts.

[Reference]

Percentage figures below (percentage of increase/decrease following adjustment) represent year-on-year changes based on adjusted figures from the nine-month period (April 1 - December 31, 2018) for the Company and subsidiaries with provisional settlements of accounts, and the 12-month period (January 1 - December 31, 2018) for subsidiaries with a December 31 fiscal year-end.

| | | | | | | (Millions of yen) | |
|-----------|-------|------------------|-------|-----------------|------|---|-------|
| Net Sales | | Operating income | | Ordinary income | | Net income attributable to owners of parent | |
| 984,000 | 23.0% | 476,000 | 15.1% | 465,000 | 4.4% | 100,000 | 91.2% |

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 : None
 2. Other changes in accounting policies : None
 3. Changes in accounting estimates : None
 4. Restatement of corrections : None
- (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, 2019
(including treasury stock): 1,462,323,600 shares as of March 31, 2019
 2. Number of treasury stock at the end of the period: 2,121,916 shares as of September 30, 2019
2,123,800 shares as of March 31, 2019
 3. Average number of shares: 1,460,200,688 shares for the six months ended September 30, 2019
1,460,312,157 shares for the six months ended September 30, 2018

(Note): The shares held by "the Board Incentive Plan Trust" are included in number of treasury stock at end of period.
(As of September 30, 2019: 155,416 shares As of March 31, 2019: 157,300 shares)

*This quarterly earnings report is not subject to audit by certified public accountants or audit firms.

*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 |
| | Yen | Yen | Yen | Yen | Yen |
| For the year ended March 31, 2019 | — | 3,600.00 | — | 6,000.00 | 9,600.00 |
| For the year ending December 31, 2019 | — | 4,800.00 | | | |
| For the year ending December 31, 2019(forecast) | | | — | 6,000.00 | 10,800.00 |

(Note): 1. Breakdown of year-end dividend for the year ended March 31, 2019: Ordinary dividend of 3,600.00 yen
Commemorative dividend: 2,400.00 yen

2. The Company conducted a stock split at a ratio of 1:400 of common stock effective October 1, 2013. However, for Class A stock (not listed), no stock split was implemented. The article specifying that dividends of Class A stock are equivalent to dividends of common stock prior to the stock split is included in the Articles of Incorporation.

3. For information regarding revision of dividend forecast, please refer to the press release "Revision of Dividend Forecast for the Year Ending December 31, 2019" issued today (November 6, 2019).

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1. Qualitative Information/Financial Statements

(1) Explanation on Consolidated Financial Results

Net sales for the six months ended September 30, 2019 increased by ¥137.0 billion, or 31.3%, to ¥575.2 billion from the corresponding period of the previous fiscal year due to an increase in sales volume, despite a decrease in sales price of crude oil.

Net sales of crude oil increased by ¥51.3 billion, or 13.8%, to ¥424.3 billion, and net sales of natural gas increased by ¥85.2 billion, or 147.0%, to ¥143.2 billion.

Sales volume of crude oil increased by 12,406 thousand barrels, or 26.7%, to 58,868 thousand barrels. Sales volume of natural gas increased by 153,144 million cf, or 221.9%, to 222,170 million cf. Sales volume of overseas natural gas increased by 153,374 million cf, or 465.2%, to 186,345 million cf, and sales volume of domestic natural gas decreased by 6 million m³, or 0.6%, to 960 million m³ (35,825 million cf).

The average sales price of overseas crude oil decreased by US\$7.21, or 9.9%, to US\$65.95 per barrel. In addition, the average sales price of overseas natural gas increased by US\$1.75, or 65.5%, to US\$4.42 per thousand cf. Meanwhile, the average sales price of domestic natural gas increased by ¥4.65, or 9.3%, to ¥54.50 per m³. The average exchange rate of the Japanese yen against the U.S. dollar on consolidated net sales appreciated by ¥0.41, or 0.4%, to ¥109.18 per U.S. dollar from the corresponding period of the previous fiscal year.

The increase of ¥137.0 billion in net sales was mainly derived from the following factors: regarding net sales of crude oil and natural gas, an increase in sales volume contributing ¥143.3 billion to the increase, a decrease in unit sales price pushing sales down of ¥6.8 billion and an increase in net sales excluding crude oil and natural gas of ¥0.4 billion.

Cost of sales for the six months ended September 30, 2019 increased by ¥69.6 billion, or 39.6%, to ¥245.7 billion. Exploration expenses increased by ¥10.6 billion to ¥11.6 billion. Selling, general and administrative expenses increased by ¥2.4 billion, or 7.1%, to ¥37.2 billion. As a result, operating income increased by ¥54.2 billion, or 24.0%, to ¥280.7 billion.

Other income decreased by ¥21.5 billion, or 64.1%, to ¥12.0 billion due mainly to the absence of compensation income in the corresponding period of the previous fiscal year. Other expenses increased by ¥8.5 billion, or 65.8%, to ¥21.6 billion due mainly to an increase in interest expense. As a result, ordinary income and income before income taxes increased by ¥24.1 billion, or 9.8%, to ¥271.1 billion.

Total amount of current income taxes and deferred income taxes decreased by ¥6.2 billion, or 3.0%, to ¥199.7 billion, net income increased by ¥30.3 billion, or 74.0%, to ¥71.3 billion, and net income attributable to non-controlling interests was ¥1.9 billion. As a result of the above effects, net income attributable to owners of parent for the six months ended September 30, 2019 increased by ¥35.4 billion, or 104.2%, to ¥69.4 billion.

Financial results by segment are as follows:

1) Japan

Net sales increased by ¥4.1 billion, or 7.1%, to ¥62.8 billion due to an increase in sales price of natural gas. Operating income decreased by ¥2.0 billion, or 14.4%, to ¥12.1 billion due to increases in cost of sales and others.

2) Asia & Oceania

Net sales increased by ¥132.6 billion, or 901.7%, to ¥147.3 billion due to an increase in sales volume. Operating income totaled ¥72.6 billion compared with ¥0.3 billion of operating loss for the corresponding period of the previous fiscal year.

3) Eurasia (Europe & NIS)

Net sales decreased by ¥16.3 billion, or 27.2%, to ¥43.7 billion due to decreases in sales volume and sales price of crude oil. Operating income decreased by ¥8.5 billion, or 44.2%, to ¥10.8 billion.

4) Middle East & Africa

Net sales increased by ¥16.0 billion, or 5.4%, to ¥314.7 billion due to an increase in sales volume. Operating income decreased by ¥3.9 billion, or 1.9%, to ¥200.6 billion due to increases in cost of sales and exploration expenses.

5) Americas

Net sales increased by ¥0.5 billion, or 8.6%, to ¥6.5 billion due to an increase in sales volume. Operating loss increased by ¥4.7 billion, or 220.2%, to ¥6.8 billion due to increases in exploration expenses and others.

(2) Explanation on Consolidated Financial Position

Total assets as of September 30, 2019 decreased by ¥35.4 billion to ¥4,758.0 billion from ¥4,793.5 billion as of March 31, 2019. Current assets decreased by ¥4.1 billion to ¥453.5 billion due to decreases in cash and deposits and others. Fixed assets decreased by ¥31.2 billion to ¥4,304.5 billion due to decreases in tangible fixed assets and others.

Meanwhile, total liabilities increased by ¥9.1 billion to ¥1,545.1 billion from ¥1,535.9 billion as of March 31, 2019. Current liabilities increased by ¥8.0 billion to ¥380.0 billion and long-term liabilities increased by ¥1.1 billion to ¥1,165.1 billion.

Net assets decreased by ¥44.6 billion to ¥3,212.9 billion. Total shareholders' equity increased by ¥48.3 billion to ¥2,686.2 billion.

Total accumulated other comprehensive income decreased by ¥92.1 billion to ¥276.4 billion and non-controlling interests in net

assets decreased by ¥0.9 billion to ¥250.1 billion.

Cash and cash equivalents as of September 30, 2019 totaled ¥219.1 billion reflecting a net decrease of ¥20.5 billion from ¥239.6 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 increased by ¥43.7 billion to ¥154.5 billion from the corresponding period of the previous fiscal year. This is due mainly to increases in income before income taxes and depreciation and amortization (non-cash).

2) Cash flows from investing activities

Net cash used in investing activities decreased by ¥263.3 billion to ¥194.4 billion from the corresponding period of the previous fiscal year. This is due mainly to the absence of payments for time deposits and a decrease in long-term loans made, despite a decrease of proceeds from time deposits.

3) Cash flows from financing activities

Net cash provided by financing activities decreased by ¥300.2 billion to ¥24.9 billion from the corresponding period of the previous fiscal year. 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

Forecast for consolidated financial results for the year ending December 31, 2019 have been revised from the previous forecasts presented on August 8, 2019, taking into consideration the consolidated financial results for the six months ended September 30, 2019.

Forecasts for consolidated financial results for the year ending December 31, 2019

(Millions of yen)

| | Net sales | Operating income | Ordinary income | Net income attributable to owners of parent |
|--------------------------|-----------|------------------|-----------------|---|
| Previous Forecasts: A | 988,000 | 472,000 | 460,000 | 90,000 |
| Revised Forecasts: B | 984,000 | 476,000 | 465,000 | 100,000 |
| Increase (Decrease): B-A | (4,000) | 4,000 | 5,000 | 10,000 |
| Percentage change (%) | (0.4) | 0.8 | 1.1 | 11.1 |

The above forecasts are calculated based on the following assumptions:

| | Previous Forecasts | Revised Forecasts |
|-------------------------|---|---|
| Crude oil price (Brent) | 1st quarter(actual): US\$ 68.5/bbl From 2nd quarter: US\$ 65.0/bbl Full Year: US\$ 66.2/bbl (Average) | 1st Half: US\$ 65.2/bbl (Actual) 2nd Half: US\$ 60.0/bbl Full Year: US\$ 63.5/bbl (Average) |
| Exchange rate | 1st quarter(actual): ¥109.9/US\$ From 2nd quarter: ¥110.0/US\$ Full Year: ¥110.0/US\$ (Average) | 1st Half: ¥108.6/US\$ (Actual) 2nd Half: ¥110.0/US\$ Full Year: ¥109.1/US\$ (Average) |

Note: Crude oil prices at which the Company sells products vary depending on crude oil type, and differ from Brent crude oil prices. Crude oil price differences are determined by the quality of each crude oil type, etc., and are also affected by market conditions.

2. Consolidated Financial Statements and Principal Notes

(1) Consolidated Balance Sheet

(Millions of yen)

| Accounts | As of March 31, 2019 | As of September 30, 2019 |
|--|----------------------|--------------------------|
| (Assets) | | |
| Current assets | | |
| Cash and deposits | 239,675 | 219,147 |
| Accounts receivable-trade | 92,217 | 121,256 |
| Inventories | 40,100 | 42,996 |
| Other | 98,975 | 84,017 |
| Less allowance for doubtful accounts | (13,257) | (13,887) |
| Total current assets | 457,711 | 453,530 |
| Fixed assets | | |
| Tangible fixed assets | | |
| Buildings and structures, net | 187,191 | 181,077 |
| Wells, net | 259,310 | 247,926 |
| Machinery, equipment and vehicles, net | 1,304,356 | 1,247,937 |
| Land | 18,930 | 18,927 |
| Construction in progress | 506,399 | 523,815 |
| Other, net | 2,805 | 11,075 |
| Total tangible fixed assets | 2,278,994 | 2,230,759 |
| Intangible assets | | |
| Goodwill | 47,276 | 43,896 |
| Other | 472,937 | 487,665 |
| Total intangible assets | 520,213 | 531,562 |
| Investments and other assets | | |
| Investment securities | 419,064 | 350,072 |
| Long-term loans receivable | 592,786 | 659,536 |
| Recoverable accounts under production sharing | 568,059 | 571,063 |
| Other | 31,005 | 34,899 |
| Less allowance for doubtful accounts | (789) | (780) |
| Less allowance for recoverable accounts under production sharing | (70,017) | (69,765) |
| Less allowance for investments in exploration | (3,482) | (2,797) |
| Total investments and other assets | 1,536,625 | 1,542,228 |
| Total fixed assets | 4,335,834 | 4,304,549 |
| Total assets | 4,793,545 | 4,758,080 |

(Millions of yen)

| Accounts | As of March 31, 2019 | As of September 30, 2019 |
|---|----------------------|--------------------------|
| (Liabilities) | | |
| Current liabilities | | |
| Accounts payable-trade | 32,205 | 21,444 |
| Short-term loans | 127,184 | 111,066 |
| Commercial papers | — | 48,000 |
| Income taxes payable | 19,281 | 32,188 |
| Provision for loss on business | 9,971 | 9,893 |
| Provision for exploration projects | 7,303 | 14,069 |
| Accrued bonuses to officers | 96 | 48 |
| Asset retirement obligations | 3,309 | 2,309 |
| Other | 172,649 | 140,983 |
| Total current liabilities | 372,000 | 380,003 |
| Long-term liabilities | | |
| Long-term debt | 1,014,013 | 1,005,307 |
| Provision for stocks payment | 21 | 34 |
| Accrued special repair and maintenance | 479 | 456 |
| Liability for retirement benefits | 6,265 | 6,226 |
| Asset retirement obligations | 110,107 | 113,229 |
| Other | 33,073 | 39,889 |
| Total long-term liabilities | 1,163,961 | 1,165,144 |
| Total liabilities | 1,535,961 | 1,545,147 |
| (Net assets) | | |
| Shareholders' equity | | |
| Common stock | 290,809 | 290,809 |
| Capital surplus | 673,574 | 674,374 |
| Retained earnings | 1,678,914 | 1,726,496 |
| Treasury stock | (5,434) | (5,432) |
| Total shareholders' equity | 2,637,863 | 2,686,248 |
| Accumulated other comprehensive income | | |
| Unrealized holding gain (loss) on securities | 2,831 | 3,998 |
| Unrealized gain (loss) from hedging instruments | 6,359 | (28,532) |
| Translation adjustments | 359,425 | 301,031 |
| Total accumulated other comprehensive income | 368,616 | 276,498 |
| Non-controlling interests | 251,103 | 250,185 |
| Total net assets | 3,257,584 | 3,212,932 |
| Total liabilities and net assets | 4,793,545 | 4,758,080 |

(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, 2018 | For the six months ended September 30, 2019 |
|--|--|--|
| Net sales | 438,205 | 575,269 |
| Cost of sales | 176,036 | 245,711 |
| Gross profit | 262,168 | 329,558 |
| Exploration expenses | 1,007 | 11,642 |
| Selling, general and administrative expenses | 34,726 | 37,200 |
| Operating income | 226,434 | 280,715 |
| Other income | | |
| Interest income | 4,128 | 1,789 |
| Dividend income | 1,402 | 2,226 |
| Equity in earnings of affiliates | 10,565 | 4,270 |
| Compensation income | 7,453 | — |
| Foreign exchange gain | 5,298 | — |
| Other | 4,757 | 3,763 |
| Total other income | 33,607 | 12,049 |
| Other expenses | | |
| Interest expense | 4,794 | 14,387 |
| Provision for allowance for recoverable accounts under production sharing | 1,690 | 1,909 |
| Foreign exchange loss | — | 623 |
| Other | 6,579 | 4,740 |
| Total other expenses | 13,065 | 21,660 |
| Ordinary income | 246,977 | 271,104 |
| Income before income taxes | 246,977 | 271,104 |
| Income taxes-current | 200,722 | 200,861 |
| Income taxes-deferred | 5,210 | (1,156) |
| Total income taxes | 205,932 | 199,705 |
| Net income | 41,044 | 71,398 |
| Net income (loss) attributable to non-controlling interests | 7,010 | 1,911 |
| Net income attributable to owners of parent | 34,034 | 69,487 |

Consolidated Statement of Comprehensive Income

(Millions of yen)

| Accounts | For the six months ended September 30, 2018 | For the six months ended September 30, 2019 |
|---|--|--|
| Net income | 41,044 | 71,398 |
| Other comprehensive income | | |
| Unrealized holding gain (loss) on securities | 6,185 | 1,143 |
| Unrealized gain (loss) from hedging instruments | — | (192) |
| Translation adjustments | 72,049 | (59,597) |
| Share of other comprehensive income of associates accounted for by the equity method | 10,286 | (35,740) |
| Total other comprehensive income | 88,521 | (94,387) |
| Comprehensive income | 129,565 | (22,988) |
| Total comprehensive income attributable to | | |
| Owners of parent | 123,777 | (22,630) |
| Non-controlling interests | 5,788 | (357) |

(3) Consolidated Statement of Cash Flows

(Millions of yen)

| Accounts | For the six months ended September 30, 2018 | For the six months ended September 30, 2019 |
|---|--|--|
| Cash flows from operating activities | | |
| Income before income taxes | 246,977 | 271,104 |
| Depreciation and amortization | 41,710 | 83,047 |
| Amortization of goodwill | 3,380 | 3,380 |
| Provision for allowance for recoverable accounts under production sharing | 1,720 | 1,925 |
| Provision for exploration projects | (241) | 6,896 |
| Other provisions | 3,848 | (130) |
| Liability for retirement benefits | 234 | (5) |
| Interest and dividend income | (5,531) | (4,015) |
| Interest expense | 4,794 | 14,387 |
| Foreign exchange loss (gain) | (4,355) | 1,652 |
| Equity in losses (earnings) of affiliates | (10,565) | (4,270) |
| Recovery of recoverable accounts under production sharing (capital expenditures) | 10,007 | 19,343 |
| Recoverable accounts under production sharing (operating expenditures) | 9,833 | (4,251) |
| Accounts receivable-trade | (34,355) | (30,307) |
| Inventories | (1,626) | (4,842) |
| Accounts payable-trade | (18,602) | (10,746) |
| Other | 28,370 | 5,493 |
| Subtotal | 275,599 | 348,661 |
| Interest and dividends received | 8,562 | 5,925 |
| Interest paid | (3,439) | (12,958) |
| Income taxes paid | (169,866) | (187,029) |
| Net cash provided by (used in) operating activities | 110,855 | 154,598 |

(Millions of yen)

| Accounts | For the six months ended September 30, 2018 | For the six months ended September 30, 2019 |
|---|--|--|
| Cash flows from investing activities | | |
| Payments for time deposits | (248,107) | — |
| Proceeds from time deposits | 88,231 | 22 |
| Payments for purchases of tangible fixed assets | (116,988) | (66,270) |
| Proceeds from sales of tangible fixed assets | 30 | 15 |
| Payments for purchases of intangible assets | (531) | (702) |
| Payments for purchases of investment securities | (1,449) | (1,012) |
| Investment in recoverable accounts under production sharing (capital expenditures) | (15,319) | (21,893) |
| Decrease (increase) in short-term loans receivable | (230) | 238 |
| Long-term loans made | (182,578) | (78,108) |
| Collection of long-term loans receivable | 129 | 2,931 |
| Payments for acquisitions of participating interests | — | (30,039) |
| Other | 19,022 | 344 |
| Net cash provided by (used in) investing activities | (457,790) | (194,474) |
| Cash flows from financing activities | | |
| Increase (decrease) in commercial papers | 72,000 | 48,000 |
| Proceeds from long-term debt | 295,389 | 71,517 |
| Repayments of long-term debt | (23,069) | (69,137) |
| Proceeds from non-controlling interests for additional shares | 50 | 4,286 |
| Cash dividends paid | (13,146) | (21,903) |
| Cash dividends paid to non-controlling interests | (5,832) | (6,725) |
| Other | (195) | (1,133) |
| Net cash provided by (used in) financing activities | 325,195 | 24,904 |
| Effect of exchange rate changes on cash and cash equivalents | 6,687 | (5,533) |
| Net increase (decrease) in cash and cash equivalents | (15,052) | (20,504) |
| Cash and cash equivalents at beginning of the period | 276,079 | 239,652 |
| Cash and cash equivalents at end of the period | 261,027 | 219,147 |

(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, 2019 (April 1, 2019 through September 30, 2019):

None

(Note on significant changes in shareholders' equity)

For the six months ended September 30, 2019 (April 1, 2019 through September 30, 2019):

None

(Segment information)

I. For the six months ended September 30, 2018 (April 1, 2018 through September 30, 2018)

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 | 58,678 | 14,714 | 60,115 | 298,670 | 6,026 | 438,205 | — | 438,205 |
| Intercompany sales and transfers between segments | — | — | — | — | — | — | — | — |
| Total | 58,678 | 14,714 | 60,115 | 298,670 | 6,026 | 438,205 | — | 438,205 |
| Segment income (loss) | 14,211 | (312) | 19,437 | 204,652 | (2,151) | 235,838 | (9,403) | 226,434 |

Note: 1. Adjustments of segment income of ¥(9,403) million include elimination of inter-segment transactions of ¥7 million and corporate expenses of ¥(9,410) 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, 2019 (April 1, 2019 through September 30, 2019)

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 | 62,828 | 147,397 | 43,736 | 314,761 | 6,545 | 575,269 | — | 575,269 |
| Intercompany sales and transfers between segments | — | 1,661 | — | — | — | 1,661 | (1,661) | — |
| Total | 62,828 | 149,059 | 43,736 | 314,761 | 6,545 | 576,930 | (1,661) | 575,269 |
| Segment income (loss) | 12,158 | 72,657 | 10,846 | 200,686 | (6,888) | 289,461 | (8,745) | 280,715 |

Note: 1. Adjustments of segment income of ¥(8,745) million are corporate expenses. 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, 2019 (April 1, 2019 through September 30, 2019):

None

3. 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, 2018 | For the six months ended September 30, 2019 |
|---------------------------|---------------------------|--|--|
| Japan | Crude oil | 0.6 MMbbls (3.5 Mbbls per day) | 0.6 MMbbls (3.2 Mbbls per day) |
| | Natural gas | 24.5 Bcf (134.0 MMcf per day) | 22.1 Bcf (120.7 MMcf per day) |
| | Subtotal | 5.2 MMboe (28.6 Mboe per day) | 4.7 MMboe (25.8 Mboe per day) |
| | Iodine | 266.1 tons | 267.5 tons |
| | Electric power generation | 110.4 million kWh | 113.0 million kWh |
| Asia & Oceania | Crude oil | 1.2 MMbbls (6.4 Mbbls per day) | 8.4 MMbbls (45.7 Mbbls per day) |
| | Natural gas | 22.5 Bcf (122.9 MMcf per day) | 176.8 Bcf (966.0 MMcf per day) |
| | Subtotal | 5.2 MMboe (28.2 Mboe per day) | 42.2 MMboe (230.5 Mboe per day) |
| | Electric power generation | 210.2 million kWh | 166.5 million kWh |
| Eurasia (Europe & NIS) | Crude oil | 8.2 MMbbls (44.9 Mbbls per day) | 8.4 MMbbls (46.1 Mbbls per day) |
| | Natural gas | 4.9 Bcf (26.6 MMcf per day) | 4.1 Bcf (22.6 MMcf per day) |
| | Subtotal | 9.1 MMboe (49.6 Mboe per day) | 9.2 MMboe (50.1 Mboe per day) |
| | Sulfur | 43.5 Mtons | 36.1 Mtons |
| Middle East & Africa | Crude oil | 41.8 MMbbls (228.7 Mbbls per day) | 43.6 MMbbls (238.5 Mbbls per day) |
| Americas | Crude oil | 0.6 MMbbls (3.4 Mbbls per day) | 1.9 MMbbls (10.5 Mbbls per day) |
| | Natural gas | 17.2 Bcf (93.9 MMcf per day) | 12.6 Bcf (68.8 MMcf per day) |
| | Subtotal | 3.7 MMboe (20.2 Mboe per day) | 4.3 MMboe (23.3 Mboe per day) |
| Total | Crude oil | 52.5 MMbbls (286.8 Mbbls per day) | 62.9 MMbbls (343.9 Mbbls per day) |
| | Natural gas | 69.1 Bcf (377.5 MMcf per day) | 215.6 Bcf (1,178.1 MMcf per day) |
| | Subtotal | 65.0 MMboe (355.3 Mboe per day) | 104.0 MMboe (568.2 Mboe per day) |
| | Iodine | 266.1 tons | 267.5 tons |
| | Electric power generation | 320.6 million kWh | 279.5 million kWh |
| | Sulfur | 43.5 Mtons | 36.1 Mtons |

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 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 59.3 MMbbls (324.0 Mbbls per day) of crude oil, 76.1 Bcf (416.0 MMcf per day) of natural gas, and in total 73.1 MMboe (399.3 Mboe per day) for the six months ended September 30, 2018, and 70.4 MMbbls (384.7 Mbbls per day) of crude oil, 224.6 Bcf (1,227.4 MMcf per day) of natural gas, and in total 113.1 MMboe (617.9 Mboe per day) for the six months ended September 30, 2019.

5. Boe means barrels of oil equivalent.

6. Iodine is refined by other company on consignment.

7. Figures are rounded to the first 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, 2018 | | For the six months ended September 30, 2019 | |
|---------------------------|--------------------------------|--|-----------|--|-----------|
| | | Sales volume | Net sales | Sales volume | Net sales |
| Japan | Crude oil | 386 Mbbls | 3,343 | 376 Mbbls | 2,749 |
| | Natural gas (excluding LPG) | 36,055 MMcf | 48,162 | 35,825 MMcf | 52,315 |
| | LPG | 2 Mbbls | 11 | 1 Mbbls | 7 |
| | Other | | 7,161 | | 7,755 |
| | Subtotal | | 58,678 | | 62,828 |
| Asia & Oceania | Crude oil | 1,033 Mbbls | 8,317 | 8,288 Mbbls | 59,495 |
| | Natural gas (excluding LPG) | 10,147 MMcf | 5,989 | 169,150 MMcf | 86,390 |
| | LPG | 74 Mbbls | 407 | 150 Mbbls | 1,511 |
| | Subtotal | | 14,714 | | 147,397 |
| Eurasia (Europe & NIS) | Crude oil | 7,124 Mbbls | 59,125 | 6,262 Mbbls | 42,909 |
| | Natural gas (excluding LPG) | 4,869 MMcf | 921 | 4,132 MMcf | 879 |
| | Other | | 68 | | (53) |
| | Subtotal | | 60,115 | | 43,736 |
| Middle East & Africa | Crude oil | 37,353 Mbbls | 298,670 | 43,228 Mbbls | 314,761 |
| Americas | Crude oil | 566 Mbbls | 3,532 | 714 Mbbls | 4,427 |
| | Natural gas (excluding LPG) | 17,955 MMcf | 2,493 | 13,063 MMcf | 2,118 |
| | Subtotal | | 6,026 | | 6,545 |
| Total | Crude oil | 46,462 Mbbls | 372,989 | 58,868 Mbbls | 424,344 |
| | Natural gas (excluding LPG) | 69,026 MMcf | 57,566 | 222,170 MMcf | 141,703 |
| | LPG | 76 Mbbls | 418 | 151 Mbbls | 1,518 |
| | Other | | 7,230 | | 7,702 |
| | Total | | 438,205 | | 575,269 |

Note: 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 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.

3. Sales volumes are rounded to the nearest whole number.