

Consolidated Financial Results for the Six Months ended September 30, 2013 [Japanese GAAP]

November 7, 2013

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 : November 12, 2013

Scheduled date of payment of cash dividends : December 2, 2013

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, 2013 (April 1, 2013-September 30, 2013)

(1) Consolidated operating results

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

	Net sales		Operating income		Ordinary income		Net income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
For the six months ended September 30, 2013	650,478	12.4	344,234	1.8	350,645	(3.6)	80,080	(28.1)
September 30, 2012	578,505	0.9	337,999	3.0	363,828	9.4	111,382	49.7

(Note): Consolidated comprehensive income: for the six months ended September 30, 2013, ¥163,753 million; (94.1%)
 for the six months ended September 30, 2012, ¥84,351 million; (22.2%)

	Net income per share—basic	Net income per share—diluted
For the six months ended September 30, 2013	Yen 54.84	Yen —
September 30, 2012	76.27	—

(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, 2012.

(2) Consolidated financial position

	Total assets	Net assets	Net assets excluding minority interests as a percentage of total assets
As of September 30, 2013	Millions of Yen 3,774,957	Millions of Yen 2,824,991	69.7%
As of March 31, 2013	3,616,158	2,670,983	68.6

(Reference): Net assets excluding minority interests: as of September 30, 2013, ¥2,629,366 million
 as of March 31, 2013, ¥2,481,292 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, 2013	Yen —	Yen 3,500.00	Yen —	Yen 3,500.00	Yen 7,000.00
For the year ending March 31, 2014	—	3,600.00			
For the year ending March 31, 2014 (forecast)			—	9.00	—

(Note): 1. Changes in projected dividends for the year ending March 31, 2014 from the previous forecast: None

2. Forecast information about year-end dividends for the fiscal year ending March 31, 2014 is provided after taking into consideration the effect of the stock split conducted at a ratio of 1:400 as to common stock with October 1, 2013 as the effective date.

If adjusted to reflect the number of shares prior to the stock split, the forecast of fiscal year end dividend amount will be equivalent to ¥3,600.

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, 2014 (April 1, 2013-March 31, 2014)

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

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
For the year ending March 31, 2014	1,268,000	4.2	651,000	(6.1)	671,000	(6.6)	153,000	(16.4)	104.77

(Note): 1. Changes in forecasted consolidated financial results for the year ending March 31, 2014 from the previous forecast: Yes

2. Forecast information about net income per share for the fiscal year ending March 31, 2014 is provided after taking into consideration the effect of the stock split conducted at a ratio of 1:400 as to common stock with October 1, 2013 as the effective date.

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 (including treasury stock): 1,462,323,600 shares as of September 30, 2013
1,462,323,600 shares as of March 31, 2013
2. Number of treasury stock at the end of the period: 1,966,400 shares as of September 30, 2013
1,966,400 shares as of March 31, 2013
3. Average number of shares: 1,460,357,200 shares for the six months ended September 30, 2013
1,460,357,200 shares for the six months ended September 30, 2012

(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, 2012. 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

*1: 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.

*2: The Company conducted a stock split at a ratio of 1:400 of common stock with October 1, 2013 as the effective date.

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, 2013	Yen —	Yen 3,500.00	Yen —	Yen 3,500.00	Yen 7,000.00
For the year ending March 31, 2014	—	3,600.00			
For the year ending March 31, 2014 (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 article, which shows that dividends of Class A stock are equivalent to dividends of a common stock prior to the stock split, is specified in the Articles of Incorporation.

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).....	13
4. Supplementary Information.....	15
(1) Production, Orders Received and Sales Performance.....	15

1. Qualitative Information / Financial Statements

(1) Explanation on Consolidated Financial Results

During the six months ended September 30, 2013, consolidated net sales were ¥650.4 billion (increased by ¥71.9 billion, or 12.4%, from the corresponding period of the previous fiscal year) due to the depreciation of Japanese yen against U.S. dollar. Net sales of crude oil increased by ¥58.9 billion, or 16.0%, to ¥426.7 billion, and net sales of natural gas increased by ¥19.8 billion, or 10.2%, to ¥214.8 billion. Sales volume of crude oil decreased by 1,543 thousand barrels, or 3.7%, to 40,578 thousand barrels. Sales volume of natural gas increased by 6,109 million cf, or 4.0%, to 159,671 million cf. Sales volume of overseas natural gas increased by 5,810 million cf, or 4.7%, to 130,276 million cf, and sales volume of domestic natural gas increased by 8 million m³, or 1.0%, to 788 million m³ (29,395 million cf). The average sales price of overseas crude oil decreased by US\$3.03, or 2.8 %, to US\$106.21 per barrel, and the average sales price of overseas natural gas decreased by US\$1.13, or 8.1%, to US\$12.83 per thousand cf. On the other hand, the average sales price of domestic natural gas increased by ¥3.15, or 6.8%, to ¥49.68 per m³. The average exchange rate of Japanese yen against U.S. dollar on consolidated net sales depreciated by ¥19.28, or 24.3%, to ¥98.77 per U.S. dollar from the corresponding period of the previous fiscal year.

The increase of ¥71.9 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 ¥11.3 billion and ¥26.6 billion, respectively, the depreciation of Japanese yen against U.S. dollar contributing ¥116.7 billion to the increase, and a decrease in net sales excluding crude oil and natural gas of ¥6.7 billion.

Cost of sales for the six months ended September 30, 2013 increased by ¥47.2 billion, or 23.4%, to ¥249.2 billion due mainly to the depreciation of Japanese yen against U.S. dollar. Exploration expenses increased by ¥12.5 billion, or 307.7%, to ¥16.6 billion due mainly to an increase in exploration activities in the Middle East and Africa region. Selling, general and administrative expenses increased by ¥5.8 billion, or 17.1%, to ¥40.3 billion. As a result, operating income increased by ¥6.2 billion, or 1.8%, to ¥344.2 billion.

Other income decreased by ¥20.9 billion, or 53.2 %, to ¥18.3 billion due to decreases in gain on transfer of mining rights and equity in earnings of affiliates. Other expenses decreased by ¥1.4 billion, or 11.1%, to ¥11.9 billion due to a decrease in loss on valuation of investment securities. As a result, ordinary income and income before income taxes and minority interests decreased by ¥13.1 billion, or 3.6%, to ¥350.6 billion.

Total amount of current income taxes decreased by ¥8.4 billion, or 3.6%, to ¥227.7 billion, and deferred income taxes were ¥42.5 billion, income before minority interests decreased by ¥35.2 billion, or 30.5%, to ¥80.2 billion, and minority interests were ¥0.2 billion. As a result of the above effects, net income for the six months ended September 30, 2013 decreased by ¥31.3 billion, or 28.1%, to ¥80.0 billion from the corresponding period of the previous fiscal year.

Financial results by segment are as follows:

1) Japan

Net sales decreased by ¥1.3 billion, or 2.5%, to ¥52.0 billion due to a decrease in sales volume of oil products. Operating income decreased by ¥2.9 billion, or 31.7%, to ¥6.3 billion due mainly to an increase in exploration expenses.

2) Asia & Oceania

Net sales decreased by ¥13.7 billion, or 5.5%, to ¥238.4 billion due to decreases in sales prices and sales volume of crude oil and natural gas, despite the depreciation of Japanese yen against U.S. dollar. Operating income decreased by ¥36.4 billion, or 23.7%, to ¥117.0 billion due mainly to the depreciation of Japanese yen against U.S. dollar and an increase in operating expenses.

3) Eurasia (Europe & NIS)

Net sales increased by ¥17.7 billion, or 48.6%, to ¥54.1 billion due to the depreciation of Japanese yen against U.S. dollar and an increase in sales volume, despite a decrease in sales price of crude oil. Operating income increased by ¥8.8 billion, or 51.3%, to ¥26.2 billion.

4) Middle East & Africa

Net sales increased by ¥66.6 billion, or 28.5%, to ¥300.8 billion due to the depreciation of Japanese yen against U.S. dollar and an increase in sales volume, despite a decrease in sales price of crude oil. Operating income increased by ¥39.3 billion, or 24.0%, to ¥203.7 billion.

5) Americas

Net sales increased by ¥2.6 billion, or 118.1%, to ¥4.9 billion due to an increase in sales volume of natural gas. Meanwhile, operating loss increased by ¥2.6 billion, or 169.7%, to ¥4.1 billion due to an increase in exploration expenses.

(2) Explanation on Consolidated Financial Position

Total assets as of September 30, 2013 increased by ¥158.7 billion to ¥3,774.9 billion from ¥3,616.1 billion as of March 31, 2013. This is due mainly to an increase in fixed assets by ¥212.7 billion owing to increases in tangible fixed assets and intangible assets. Meanwhile, total liabilities increased by ¥4.7 billion to ¥949.9 billion from ¥945.1 billion as of March 31, 2013. Current liabilities decreased by ¥59.6 billion to ¥355.2 billion and long-term liabilities increased by ¥64.4 billion to ¥594.6 billion. Net assets increased by ¥154.0 billion to ¥2,824.9 billion. Minority interests in net assets increased by ¥5.9 billion to ¥195.6 billion.

Cash and cash equivalents as of September 30, 2013 totaled ¥156.0 billion reflecting a net decrease of ¥43.7 billion from ¥199.8 billion at beginning of the period.

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

Note that net cash increased by ¥48.0 billion due to the effect of exchange rate changes on cash and cash equivalents.

1) Cash flows from operating activities

Net cash provided by operating activities was ¥71.2 billion (decreased by ¥39.4 billion from the corresponding period of the previous fiscal year). This is due mainly to a decrease in income before income taxes and minority interests, and an increase in accounts receivable-trade.

2) Cash flows from investing activities

Net cash used in investing activities increased by ¥7.5 billion to ¥188.4 billion. This is due mainly to an occurrence of payments for long-term time deposits and an increase in payments for purchase of tangible fixed assets, despite a decrease in payments for purchase of mining rights and an increase in collection of long-term loans receivable.

3) Cash flows from financing activities

Net cash provided by financing activities increased by ¥17.8 billion to ¥25.3 billion. This is due mainly to an increase 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, 2014 have been revised from the previous forecasts presented on August 2, 2013, taking into consideration the consolidated financial results for the six months ended September 30, 2013.

Forecasts for consolidated financial results for the year ending March 31, 2014

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income
Previous Forecasts: A	1,222,000	615,000	637,000	142,000
Revised Forecasts: B	1,268,000	651,000	671,000	153,000
Increase (Decrease): B – A	46,000	36,000	34,000	11,000
Percentage change (%)	3.8	5.9	5.3	7.7

The above forecasts are calculated based on the following assumptions:

	Previous Forecasts	Revised Forecasts
Crude oil price (Brent)	1 st Half (April 1, 2013-September 30, 2013): US\$101.7/bbl 2 nd Half (October 1, 2013-March 31, 2014): US\$100.0/bbl Full Year (April 1, 2013-March 31, 2014): US\$100.8/bbl (Average)	1 st Half (April 1, 2013-September 30, 2013): US\$106.5/bbl (Actual) 2 nd Half (October 1, 2013-March 31, 2014): US\$100.0/bbl Full Year (April 1, 2013-March 31, 2014): US\$103.3/bbl (Average)
Exchange rate	1 st Half (April 1, 2013-September 30, 2013): ¥96.9/US\$ 2 nd Half (October 1, 2013-March 31, 2014): ¥95.0/US\$ Full Year (April 1, 2013-March 31, 2014): ¥95.9/US\$ (Average)	1 st Half (April 1, 2013-September 30, 2013): ¥98.9/US\$ (Actual) 2 nd Half (October 1, 2013-March 31, 2014): ¥95.0/US\$ Full Year (April 1, 2013-March 31, 2014): ¥96.9/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:
None

3. Consolidated Financial Statements
(1) Consolidated Balance Sheet

(Millions of yen)

Accounts	As of March 31, 2013	As of September 30, 2013
(Assets)		
Current assets		
Cash and deposits	483,814	573,456
Accounts receivable-trade	117,411	125,046
Marketable securities	281,642	201,503
Inventories	15,409	21,767
Other	223,145	147,426
Less allowance for doubtful accounts	(14,919)	(16,604)
Total current assets	1,106,504	1,052,596
Fixed assets		
Tangible fixed assets		
Buildings and structures, net	102,965	104,323
Wells, net	19,777	18,917
Machinery, equipment and vehicles, net	71,477	70,028
Land	19,560	19,627
Construction in progress	359,429	510,441
Other, net	11,330	14,969
Total tangible fixed assets	584,541	738,307
Intangible assets		
Goodwill	87,840	84,460
Other	292,314	329,973
Total intangible assets	380,155	414,434
Investments and other assets		
Investment securities	673,129	550,037
Long-term time deposits	287,273	414,864
Recoverable accounts under production sharing	590,565	636,963
Other	112,773	91,829
Less allowance for doubtful accounts	(793)	(842)
Less allowance for recoverable accounts under production sharing	(112,870)	(119,248)
Less allowance for investments in exploration	(5,119)	(3,985)
Total investments and other assets	1,544,957	1,569,619
Total fixed assets	2,509,654	2,722,361
Total assets	3,616,158	3,774,957

(Millions of yen)

Accounts	As of March 31, 2013	As of September 30, 2013
(Liabilities)		
Current liabilities		
Accounts payable-trade	41,401	46,070
Short-term loans	8,560	14,377
Income taxes payable	152,681	76,736
Provision for exploration projects	26,856	11,161
Accrued bonuses to officers	127	61
Asset retirement obligations	3,812	3,575
Other	181,536	203,295
Total current liabilities	414,976	355,277
Long-term liabilities		
Long-term debt	466,908	511,357
Accrued retirement benefits to employees	8,580	8,687
Provision for loss on business	3,705	3,853
Accrued special repair and maintenance	277	261
Asset retirement obligations	13,581	14,980
Other	37,144	55,548
Total long-term liabilities	530,198	594,688
Total liabilities	945,174	949,966
(Net assets)		
Shareholders' equity		
Common stock	290,809	290,809
Capital surplus	679,287	679,287
Retained earnings	1,375,106	1,442,409
Treasury stock	(5,248)	(5,248)
Total shareholders' equity	2,339,956	2,407,258
Accumulated other comprehensive income		
Unrealized holding gain on securities	34,741	52,858
Unrealized gain (loss) from hedging instruments	16,243	(20,736)
Translation adjustments	90,350	189,986
Total accumulated other comprehensive income	141,336	222,108
Minority interests	189,691	195,624
Total net assets	2,670,983	2,824,991
Total liabilities and net assets	3,616,158	3,774,957

(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, 2012	For the six months ended September 30, 2013
Net sales	578,505	650,478
Cost of sales	201,981	249,245
Gross profit	376,523	401,232
Exploration expenses	4,090	16,678
Selling, general and administrative expenses	34,433	40,319
Operating income	337,999	344,234
Other income		
Interest income	3,101	8,783
Dividend income	2,017	2,198
Equity in earnings of affiliates	2,821	—
Gain on transfer of mining rights	22,743	—
Foreign exchange gain	472	—
Other	8,131	7,389
Total other income	39,287	18,372
Other expenses		
Interest expense	585	1,140
Equity in losses of affiliates	—	3,442
Provision for allowance for recoverable accounts under production sharing	3,239	416
Provision for exploration projects	2,251	620
Loss on valuation of investment securities	4,924	—
Foreign exchange loss	—	1,261
Other	2,459	5,080
Total other expenses	13,459	11,961
Ordinary income	363,828	350,645
Income before income taxes and minority interests	363,828	350,645
Income taxes-current	236,261	227,771
Income taxes-deferred	12,031	42,584
Total income taxes	248,293	270,356
Income before minority interests	115,534	80,288
Minority interests	4,152	207
Net income	111,382	80,080

Consolidated Statement of Comprehensive Income

(Millions of yen)

Accounts	For the six months ended September 30, 2012	For the six months ended September 30, 2013
Income before minority interests	115,534	80,288
Other comprehensive income		
Unrealized holding gain (loss) on securities	(9,561)	18,115
Unrealized loss from hedging instruments	(7,086)	(20,887)
Translation adjustments	(15,088)	98,306
Share of other comprehensive income of associates accounted for by the equity method	553	(12,068)
Total other comprehensive income	(31,183)	83,465
Comprehensive income	84,351	163,753
Total comprehensive income attributable to		
Shareholders of INPEX CORPORATION	80,216	160,852
Minority interests	4,135	2,900

(3) Consolidated Statement of Cash Flows

(Millions of yen)

Accounts	For the six months ended September 30, 2012	For the six months ended September 30, 2013
Cash flows from operating activities		
Income before income taxes and minority interests	363,828	350,645
Depreciation and amortization	25,968	23,958
Amortization of goodwill	3,380	3,380
Provision for allowance for recoverable accounts under production sharing	4,575	5,892
Provision for exploration projects	125	(15,898)
Provision for accrued retirement benefits to employees	40	122
Other provisions	523	765
Interest and dividend income	(5,119)	(10,982)
Interest expense	585	1,140
Foreign exchange loss (gain)	(1,240)	6,040
Equity in (earnings) losses of affiliates	(2,821)	3,442
Gain on transfer of mining rights	(22,743)	—
Recovery of recoverable accounts under production sharing (capital expenditures)	26,304	30,903
Recoverable accounts under production sharing (operating expenditures)	(4,606)	(20,937)
Accounts receivable-trade	27,313	(8,701)
Inventories	(4,447)	(6,525)
Accounts payable-trade	1,741	4,819
Other	(22,870)	(15,775)
Subtotal	390,538	352,288
Interest and dividends received	7,931	10,600
Interest paid	(617)	(952)
Income taxes paid	(287,199)	(290,715)
Net cash provided by operating activities	110,652	71,220

(Millions of yen)

Accounts	For the six months ended September 30, 2012	For the six months ended September 30, 2013
Cash flows from investing activities		
Payments for time deposits	(64,175)	(70,032)
Proceeds from time deposits	57,763	98,409
Payments for long-term time deposits	—	(296,390)
Proceeds from long-term time deposits	5,000	15,000
Payments for purchases of tangible fixed assets	(67,987)	(139,149)
Proceeds from sales of tangible fixed assets	57	263
Payments for purchases of intangible assets	(658)	(2,366)
Payments for purchases of marketable securities	(2,600)	—
Proceeds from sales and redemptions of marketable securities	157,184	179,680
Payments for purchases of investment securities	(23,134)	(10,275)
Proceeds from sales and redemptions of investment securities	26,428	62,433
Investment in recoverable accounts under production sharing (capital expenditures)	(41,271)	(53,743)
Decrease (increase) in short-term loans receivable	749	(3,190)
Long-term loans made	(91,658)	(17,333)
Collection of long-term loans receivable	50	74,368
Payments for purchase of mining rights	(157,634)	(27,076)
Proceeds from transfer of mining rights	17,165	—
Other	3,740	914
Net cash used in investing activities	(180,979)	(188,489)
Cash flows from financing activities		
Increase in short-term loans	—	654
Proceeds from long-term debt	20,939	36,403
Repayments of long-term debt	(1,999)	(1,887)
Proceeds from minority interests for additional shares	7,134	6,954
Cash dividends paid	(14,610)	(12,775)
Dividends paid to minority shareholders	(3,939)	(3,939)
Other	(17)	(16)
Net cash provided by financing activities	7,506	25,393
Effect of exchange rate changes on cash and cash equivalents	(10,081)	48,082
Net decrease in cash and cash equivalents	(72,901)	(43,793)
Cash and cash equivalents at beginning of the period	249,233	199,858
Increase in cash and cash equivalents from newly consolidated subsidiary	439	—
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	(858)	—
Cash and cash equivalents at end of the period	175,913	156,064

(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, 2013 (April 1, 2013 through September 30, 2013):

None

(Note on significant changes in shareholders' equity)

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

None

(Segment information)

I For the six months ended September 30, 2012 (April 1, 2012 through September 30, 2012)

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	53,415	252,207	36,402	234,204	2,275	578,505	—	578,505
Intercompany sales and transfers between segments	—	—	—	—	—	—	—	—
Total	53,415	252,207	36,402	234,204	2,275	578,505	—	578,505
Segment income (loss)	9,283	153,453	17,360	164,319	(1,537)	342,879	(4,879)	337,999

Note: 1. Adjustments of segment income of ¥(4,879) million include elimination of inter-segment transactions of ¥113 million and corporate expenses of ¥(4,992) 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, 2013 (April 1, 2013 through September 30, 2013)

1. Information on sales and income (loss) by reportable segment

(Millions of yen)

	Reportable segments						Adjustments *1	Consolidated *2
	Japan	Asia & Oceania	Eurasia (Europe & NIS)	Middle East & Africa	Americas	Total		
Net sales								
Sales to third parties	52,099	238,430	54,106	300,879	4,961	650,478	—	650,478
Intercompany sales and transfers between segments	—	—	—	—	—	—	—	—
Total	52,099	238,430	54,106	300,879	4,961	650,478	—	650,478
Segment income (loss)	6,340	117,026	26,258	203,715	(4,145)	349,195	(4,961)	344,234

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

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

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

None

(Subsequent events)

Stock Split and Adoption of Share Unit System

The Company conducted a stock split of common stock and adopted a share unit system for common stock and Class A stock with October 1, 2013 as the effective date based on the resolution carried at the meeting of the Board of Directors of the Company held on May 10, 2013, the 7th ordinary general meeting of shareholders and necessary class shareholders meetings held on June 25, 2013.

1. Purpose for the stock split and the adoption of the share unit system

The Company conducted a stock split at a ratio of 400 shares per common stock for the purpose of increasing the number of the Company's investors by reducing the investment unit of shares of the Company considering the general price level for investment units of companies listed on the First Section of the Tokyo Stock Exchange. This measure is aimed at improving the investment environment for a variety of investors, including individual investors, to facilitate their investments in the Company's stock.

In addition, in accordance with the guidelines indicated in "Action Plan for Consolidating Trading Units" issued by the Japanese stock exchanges, the Company adopted a share unit system under which the number of shares constituting one share trading unit is 100 shares. With these initiatives implemented, the amount per investment unit of the Company's shares is one quarter (1/4) of that prior to the stock split and adoption of the share unit system.

Meanwhile, no stock split was implemented for Class A stock (unlisted), and the share unit is one share per unit.

2. Outline of the stock split

(1) Method of the stock split

With Monday, September 30, 2013, as the record date, shares of common stock held by shareholders registered or recorded in the final shareholders' register on the same date were split at a ratio of 400 shares per common stock.

(2) Number of shares increased through the stock split

Total number of shares issued before the stock split:	Common stock	3,655,809
	Class A stock	1
	Total	3,655,810
Number of shares to be increased due to the stock split:	Common stock	1,458,667,791
Total number of shares issued after the stock split:	Common stock	1,462,323,600
	Class A stock	1
	Total	1,462,323,601
Total number of shares authorized for issuance after the stock split:	Common stock	3,600,000,000
	Class A stock	1
	Total	3,600,000,001

(3) Schedule of the stock split

- (a) Public notice of the record date: Friday, September 13, 2013
- (b) Record date: Monday, September 30, 2013
- (c) Effective date: Tuesday, October 1, 2013

3. Adoption of the share unit system

(1) Number of newly established share unit

A share unit system was adopted as of the effective date in “2. Outline of the stock split” above, according to which the share unit number for common is 100 shares and the share unit number for Class A stock is one share.

(2) Schedule

Effective date: Tuesday, October 1, 2013

4. Others

Per share information based on the assumption that the stock split was conducted on April 1, 2012, is as follows:

Net income per share:

For the six months ended September 30, 2012	¥76.27
For the six months ended September 30, 2013	¥54.84

Note: Diluted net income per share is not presented because there are no dilutive potential of shares of common stock.

4. Supplementary Information

(1) Production, Orders Received and Sales Performance

1) Actual production

The following table shows actual production by segment:

Segment	Category	For the six months ended September 30, 2012	For the six months ended September 30, 2013
Japan	Crude oil	0.6 MMbbls (3.4 Mbbls per day)	0.6 MMbbls (3.3 Mbbls per day)
	Natural gas	20.4 Bcf (111.7 MMcf per day)	20.2 Bcf (110.3 MMcf per day)
	Subtotal	4.5 MMboe (24.4 Mboe per day)	4.4 MMboe (24.0 Mboe per day)
	Petroleum products	111.8 Mkl (703.3 Mbbls)	— Mkl (— Mbbls)
	Iodine	205.6 tons	225.4 tons
	Electric power generation	84.6 millions kWh	113.8 millions kWh
Asia & Oceania	Crude oil	11.8 MMbbls (64.5 Mbbls per day)	8.5 MMbbls (46.3 Mbbls per day)
	Natural gas	116.9 Bcf (638.9 MMcf per day)	116.8 Bcf (638.3 MMcf per day)
	Subtotal	34.0 MMboe (185.6 Mboe per day)	30.5 MMboe (166.4 Mboe per day)
Eurasia (Europe & NIS)	Crude oil	4.7 MMbbls (25.5 Mbbls per day)	4.8 MMbbls (26.4 Mbbls per day)
Middle East & Africa	Crude oil	28.5 MMbbls (155.8 Mbbls per day)	30.6 MMbbls (167.2 Mbbls per day)
Americas	Crude oil	0.1 MMbbls (0.5 Mbbls per day)	0.2 MMbbls (1.3 Mbbls per day)
	Natural gas	12.9 Bcf (70.3 MMcf per day)	18.7 Bcf (102.0 MMcf per day)
	Subtotal	2.4 MMboe (13.1 Mboe per day)	3.5 MMboe (19.3 Mboe per day)
Total	Crude oil	45.7 MMbbls (249.6 Mbbls per day)	44.8 MMbbls (244.5 Mbbls per day)
	Natural gas	150.2 Bcf (821.0 MMcf per day)	155.7 Bcf (850.6 MMcf per day)
	Subtotal	74.0 MMboe (404.3 Mboe per day)	73.8 MMboe (403.4 Mboe per day)
	Petroleum products	111.8 Mkl (703.3 Mbbls)	— Mkl (— Mbbls)
	Iodine	205.6 tons	225.4 tons
	Electric power generation	84.6 millions kWh	113.8 millions kWh

- Notes:
- The volume of LPG produced overseas is included in 'Crude oil.' On the other hand, the volume of LPG produced in the domestic refinery is included in 'Petroleum Products.'
 - A portion of crude oil production volume is consumed as material for petroleum products.
 - A portion of crude oil and natural gas production volume is consumed as fuel to generate electricity.
 - 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.
 - 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 61.0 MMbbls (333.2 Mbbls per day) of crude oil, 209.9 Bcf (1,146.7 MMcf per day) of natural gas, and in total 100.6 MMboe (549.8 Mboe per day) for the six months ended September 30, 2012, and 60.2 MMbbls (328.9 Mbbls per day) of crude oil, 211.1 Bcf (1,153.4 MMcf per day) of natural gas, and in total 99.8 MMboe (545.1 Mboe per day) for the six months ended September 30, 2013.
 - Boe means barrels of oil equivalent.
 - The volume of petroleum products is converted to bbl in parenthesis. Applied coefficient is 6.29 bbls per kl.
 - Iodine is refined by other company on consignment.
 - Figures are rounded to one decimal place.

2) Orders received

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

3) Actual sales

The following table shows sales by segment:

(Millions of yen)

Segment	Category	For the six months ended September 30, 2012		For the six months ended September 30, 2013	
		Sales volume	Net sales	Sales volume	Net sales
Japan	Crude oil	3 Mbbls	27	383 Mbbls	4,074
	Natural gas (excluding LPG)	29,096 MMcf	36,275	29,395 MMcf	39,126
	LPG	131 Mbbls	1,484	4 Mbbls	32
	Other		15,626		8,865
	Subtotal		53,415		52,099
Asia & Oceania	Crude oil	10,710 Mbbls	96,928	6,552 Mbbls	67,445
	Natural gas (excluding LPG)	112,423 MMcf	142,297	110,432 MMcf	160,175
	LPG	2,023 Mbbls	12,982	1,459 Mbbls	10,809
	Subtotal		252,207		238,430
Eurasia (Europe & NIS)	Crude oil	4,169 Mbbls	36,402	4,978 Mbbls	54,106
Middle East & Africa	Crude oil	27,205 Mbbls	234,204	28,644 Mbbls	300,879
Americas	Crude oil	33 Mbbls	293	21 Mbbls	270
	Natural gas (excluding LPG)	12,043 MMcf	1,981	19,844 MMcf	4,691
	Subtotal		2,275		4,961
Total	Crude oil	42,120 Mbbls	367,857	40,578 Mbbls	426,776
	Natural gas (excluding LPG)	153,562 MMcf	180,554	159,671 MMcf	203,993
	LPG	2,154 Mbbls	14,467	1,462 Mbbls	10,842
	Other		15,626		8,865
	Total		578,505		650,478

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

Customer	For the six months ended September 30, 2012		For the six months ended September 30, 2013	
	Amounts (Millions of yen)	Ratio (%)	Amounts (Millions of yen)	Ratio (%)
PERTAMINA	106,523	18.4	102,928	15.8