

INPEX CORPORATION

Financial Results

for the year ended March 31, 2019

May 14, 2019



Agenda



- Corporate Overview
- Progress of Medium-term Business Plan 2018-2022 and FY 2019/12 Outlook
- Consolidated Financial Results for the year ended March 31, 2019
- Consolidated Financial Forecasts for the year ending December 31, 2019

Cautionary Statement



This presentation includes forward-looking information that reflects the plans and expectations of the Company. Such forward-looking information is based on the current assumptions and judgments of the Company in light of the information currently available to it, and involves known and unknown risks, uncertainties, and other factors. Such risks, uncertainties and other factors may cause the Company's performance, achievements or financial position to be materially different from any future results, performance, achievements or financial position expressed or implied by such forward-looking information. Such risks, uncertainties and other factors include, without limitation:

- Price volatility and change in demand in crude oil and natural gas
- Foreign exchange rate volatility
- Change in costs and other expenses pertaining to exploration, development and production

The Company undertakes no obligation to publicly update or revise the disclosure of information in this presentation (including forward-looking information) after the date of this presentation.

Corporate Overview

Takayuki Ueda
Representative Director, President & CEO

FY 2019/03 Financial Results Highlights



Financial Results	<ul style="list-style-type: none"> ■ <u>FY 2019/03 Financial Results (April 2018 - March 2019)</u> <ul style="list-style-type: none"> • Net sales ¥971.3 billion (4.0% increase YoY) • Net income ¥96.1 billion (138.1% increase YoY)
Financial Forecasts	<ul style="list-style-type: none"> ■ <u>FY 2019/12 Financial Forecasts (April 2019 - December 2019 : 9-month accounting period*)</u> <ul style="list-style-type: none"> • Net sales ¥958.0 billion • Net income ¥90.0 billion <p>*The fiscal year ending December 31, 2019 is scheduled to be a transitional, 9-month accounting period from April 1, 2019 to December 31, 2019 due to change in accounting period. See page 1 of the Appendix</p>
Dividend per share	<ul style="list-style-type: none"> ■ <u>FY 2019/03</u> <ul style="list-style-type: none"> • Total: ¥24 (end of 2Q: ¥9, end of FY: ¥15 (Ordinary dividend ¥9, Commemorative dividend ¥6)) ■ <u>FY 2019/12 (9-month accounting period) (Forecast)</u> <ul style="list-style-type: none"> • Total: ¥24 (end of 2Q: ¥12, end of FY: ¥12)
Project Highlights	<ul style="list-style-type: none"> ■ <u>Ichthys LNG Project:</u> Steady production ramp up in progress. 41 LNG cargos shipped from the Darwin LNG plant by the end of April 2019. ■ <u>Abadi LNG Project:</u> Ongoing dialogue with the Indonesian government in preparation for submission of the revised plan of development ■ <u>Abu Dhabi Oil Field Projects:</u> Development work ongoing to increase production capacity of each oil field. Also awarded onshore exploration block.
Proved Reserves	<ul style="list-style-type: none"> ■ <u>FY 2019/03 Results: Approximately 4.01 billion BOE (4.0% increase YoY)</u>
Net Production	<ul style="list-style-type: none"> ■ <u>FY 2019/03 Results: Approximately 424 thousand BOED (5.7% decrease YoY)</u>

FY 2019/03 Corporate Highlights



Sustainable Growth of Oil and Natural Gas E&P Activities

- Appointed as Asset Leader for Lower Zakum Oil Field Offshore Abu Dhabi, UAE (April)
- Completed offshore preparations for production start-up of Ichthys LNG Project in Australia (May)
- Commenced production at Ichthys LNG Project (July)
- Sold interest in Joslyn Oil Sands Project in Canada (September)
- Commenced condensate shipment from Ichthys LNG Project (October)
- Commenced LNG shipment from Ichthys LNG Project (October)
- Acquired additional participating interest in Ichthys LNG Project (December)
- Commenced production at Prelude FLNG facility in Australia (December)
- Awarded two exploration licenses in Norway's awards in predefined areas (APA) 2018 (January)
- Acquired tight oil project in Texas, US from GulfTex Energy (March)
- Awarded Onshore Block 4 in Abu Dhabi licensing block bid 2018 (March)
- Made final investment decision on further development at ACG oil fields in Caspian Sea, Republic of Azerbaijan (April)

Development of Global Gas Value Chain Business

- First LNG shipment from Ichthys LNG project arrived at Naoetsu LNG Terminal in Japan (October)
- Signed a memorandum of understanding (MOU) on LNG bunkering partnership in UAE (December)
- LNG tanker "Oceanic Breeze" carrying Ichthys cargo made first call at Naoetsu LNG Terminal in Japan (February)

Reinforcement of Renewable Energy Initiatives

- Commenced commercial operations of 3rd unit of Sarulla geothermal IPP project in Indonesia (May)
- Established "Renewable Energy & Power Business Division" (May)
- Commenced environmental impact assessment on construction of geothermal power plant in Akita Prefecture in Japan (December)

Ichthys LNG Project

Progress after Production start-up

■ Production volume (Project 100%):

Approximately 250 thousand BOED*

- Upstream gas**: Approximately 1,100 million cf/D
- Upstream condensate: Approximately 40 thousand BOED
 - *Average daily rate from January to March 2019. Total of upstream gas and upstream condensate (BOED)
 - **Volume not at the wellhead but corresponding to sales to downstream entity (Gas provided from upstream to LNG plant as a raw material for LNG, LPG and plant condensate)

■ Production ramp-up

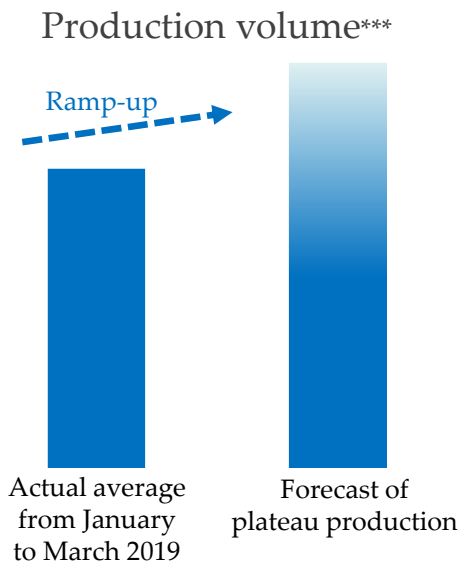
- Production scheduled to reach plateau in 2~3 years from LNG production start-up as expected

■ LNG cargo

- 41 LNG cargoes shipped (cumulative shipments from the 1st shipment in October 2018 to the end of April 2019)
- An average of 7~8 LNG cargoes expected to be shipped on a monthly basis in FY2019/12
- Approximately 120 cargoes anticipated at peak production

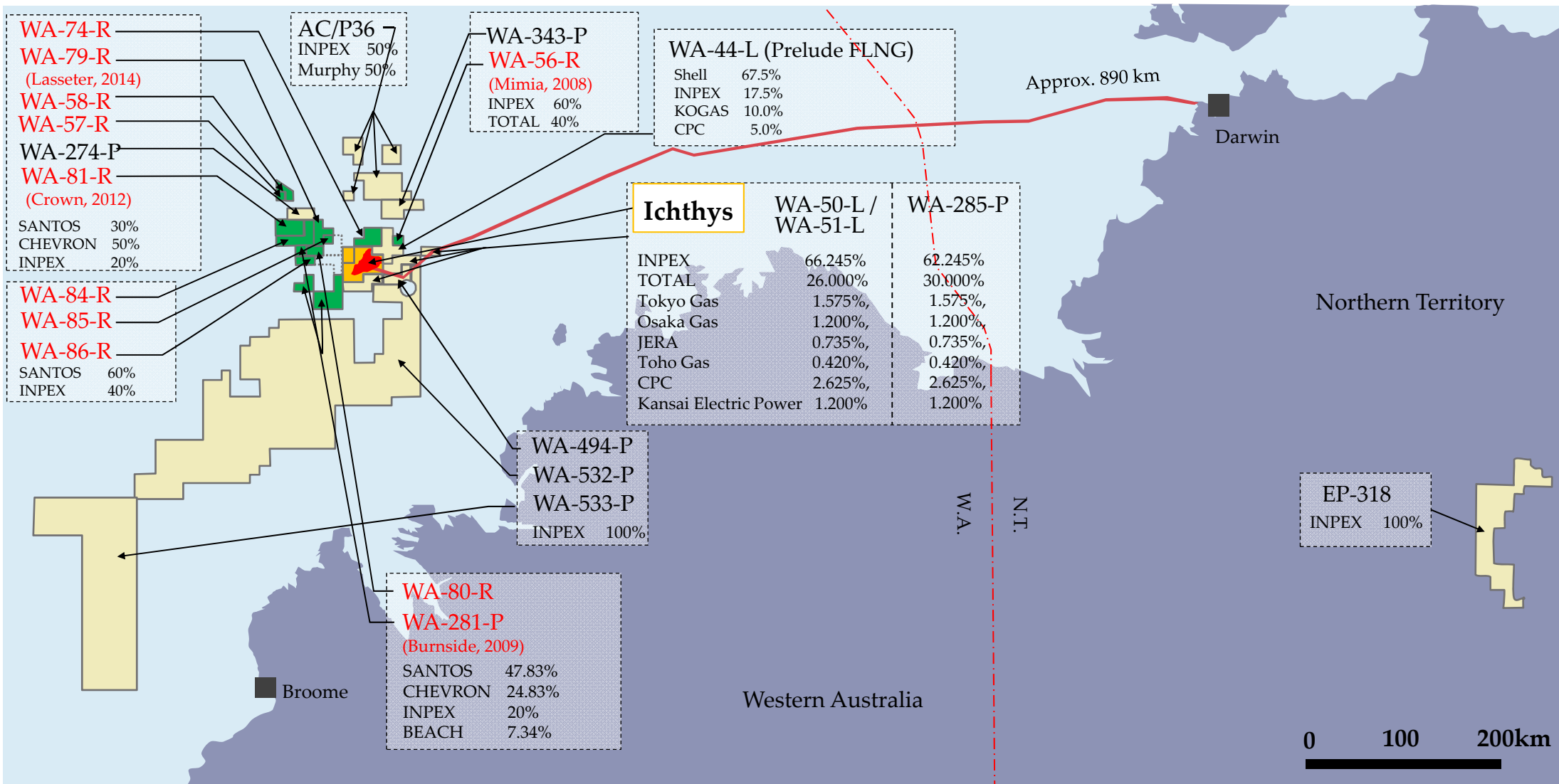
■ Drilling of production wells

- Drilling and preparation completed on 16 wells
- Drilling operations ongoing (approximately 50 wells in total expected to be drilled)



Ichthys LNG Project

Exploration Blocks in Vicinity of Ichthys Field **INPEX**



- Participating interests held in 18 exploration blocks in the vicinity of the Ichthys Field. To date, gas discoveries have been made in the Crown, Lasseter, Mimia and Burnside formations, etc. These discovered gas formations extend across at least 11 blocks.

7 ■ Site for possible additional LNG trains in Darwin already secured.

Abadi LNG Project



■ Current Progress

- Conducted Pre-FEED work based on an onshore LNG development scheme with an annual LNG production capacity of 9.5 million tons from March to October 2018.
- Currently in dialogue with the Indonesian government in preparation for submission of the revised plan of development based on the results of Pre-FEED work, etc.
- Targeting production commencement in the latter half of the 2020s.
- Pursuing efficient development leveraging the expertise and experience acquired through the Ichthys LNG project.
- Project listed by the Indonesian government as a national strategic project in June 2017 and as a priority infrastructure project in September 2017.



Progress on other Projects in Production / under Development



Kashagan Oil Field (In Production: Kazakhstan)



- Areas of Progress
 - Current production volume: Approx. 340 thousand bbl/d
 - Aiming to reach target production volume of 370 thousand bbl/d at an early stage

ACG Oil Field (In Production: Azerbaijan)



- Areas of Progress
 - Made final investment decision on further development in April 2019

Prelude FLNG Project (In Production: Australia)



- Areas of Progress
 - Commenced the initial phase of production in December 2018
 - Commenced condensate shipment in March 2019
 - Scheduled to start LNG shipment in the future

■ Production overview

- LNG: Approx. 3.6 million t/y
- LPG: Approx. 0.4 million t/y (at peak)
- Condensate: Approx. 36 thousand bbl/d (at peak)

Tight Oil Project (In Production/under Development: Texas, US)



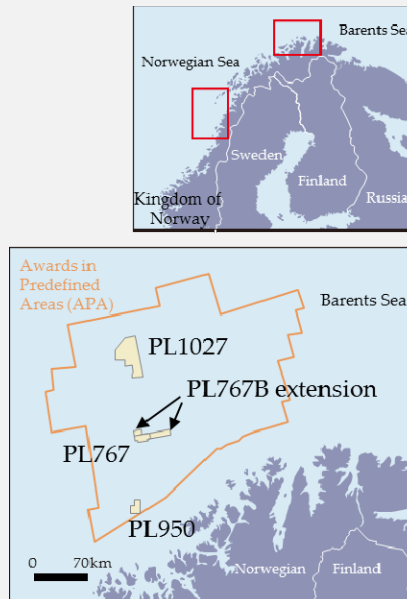
- Areas of Progress
 - Acquired multiple development and production assets from GulfTex Energy in the Eagle Ford play in the Texas, U.S.

■ Production overview

- Approx. 17 thousand bbl/d (at peak)

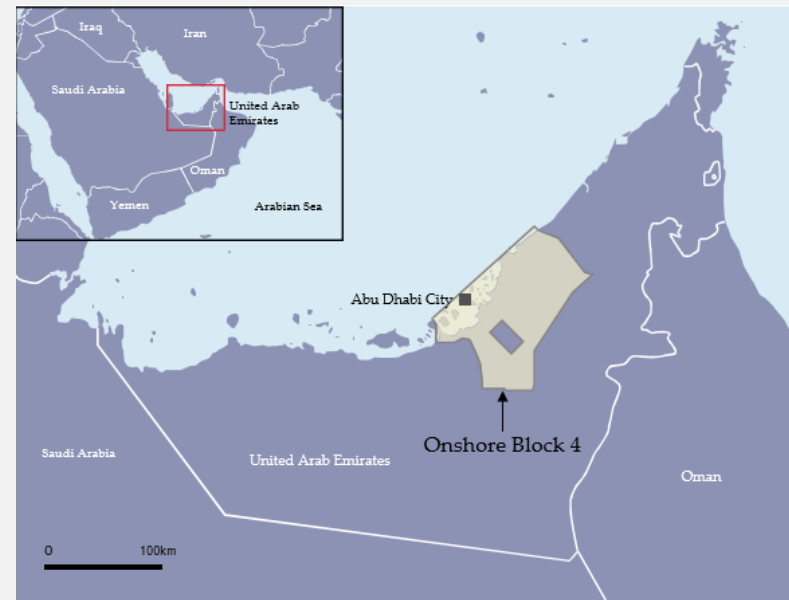
Progress on Projects under Exploration **INPEX**

Western Barents Sea PL1027 Northern Norwegian Sea PL1016 (Under Exploration: Norway)



- PL1027
 - Awarded block in January 2019
 - Participating interest: 20% (Operator: Lundin)
- PL1016
 - Awarded block in January 2019
 - Participating interest: 40% (Operator: OMV)
- 4 exploration blocks in Norway including PL767 and PL950

Onshore Block 4 (Under Exploration: Abu Dhabi)



- Onshore Block 4
 - Awarded block as operator in the 2018 Abu Dhabi Block Bid Round. The block licensing round is the first ever competitive bid round for new licensing opportunities launched by ADNOC in Abu Dhabi in the UAE
 - Participating interest: 100% (Operator: INPEX)
- Existing Offshore/Onshore Oil Fields
 - Development work is ongoing to increase production capacity of each oil field

Natural Gas Business in Japan and Renewable Energy Initiatives



Natural Gas Business in Japan



- Natural Gas Sales
 - FY 2019/03: approx. 2,170 million m³ *
 - FY 2019/12 (9-month accounting period) (estimated): approx. 1,590 million m³ *
- Naoetsu LNG Terminal
 - First LNG cargo (Pacific Breeze) from Ichthys LNG Project arrived at Naoetsu LNG Terminal in October 2018
 - First call by Oceanic Breeze carrying Ichthys cargo in February 2019

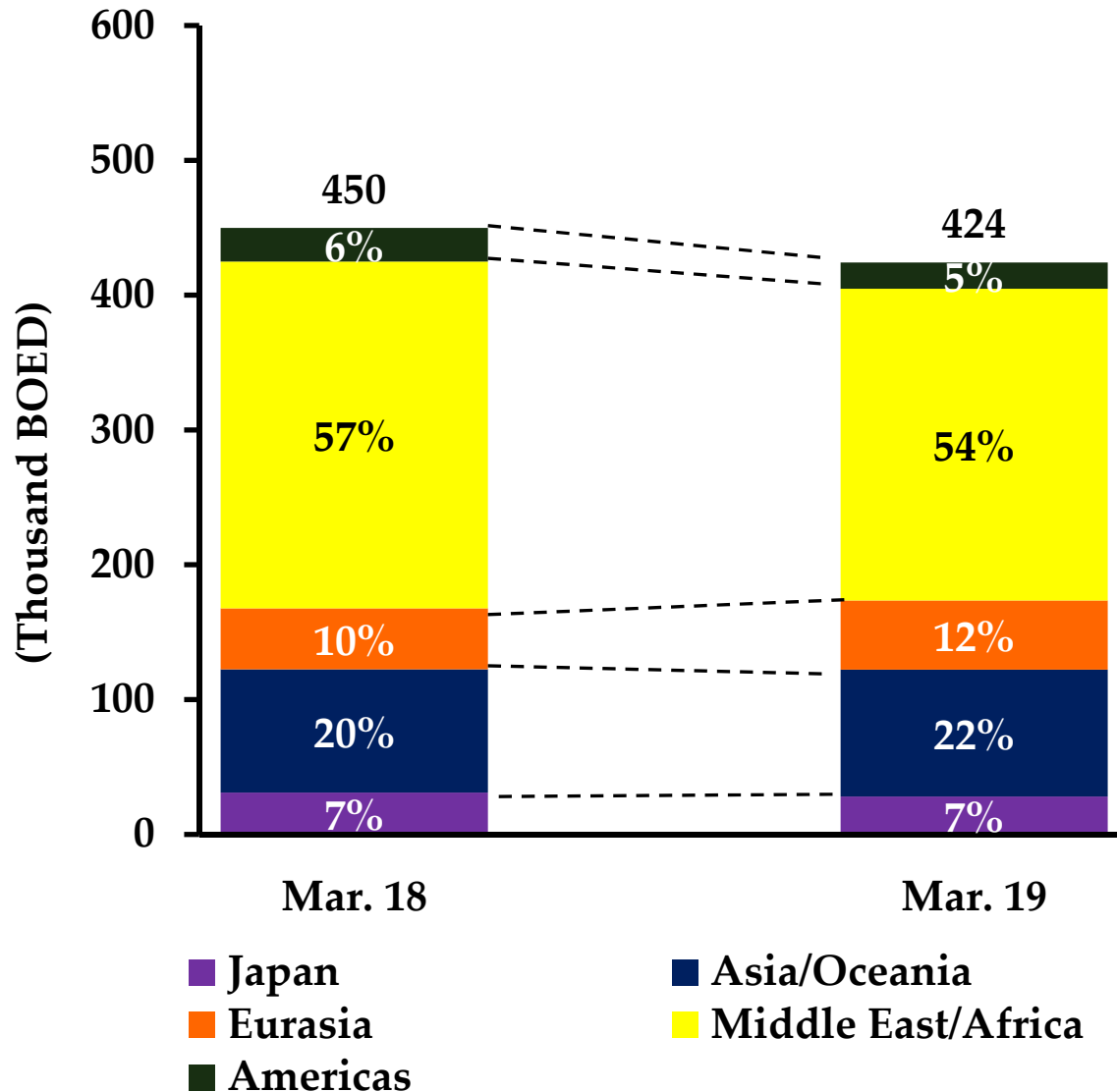
*1m³ =41.8605MJ

Renewable Energy Business



- Establishment of “Renewable Energy & Power Business Division” in June 2018
- Indonesia: Sarulla Geothermal Independent Power Producer (IPP) Project
 - Total power generation volume of 330MW
- Japan: Geothermal Power Business
 - Commenced environmental impact assessment at geothermal power plant construction site in Akita Prefecture, Japan

Net Production* (FY 2019/03)



Production increase factors:

- Ichthys Project production start-up
- Kashagan oil field production ramp-up

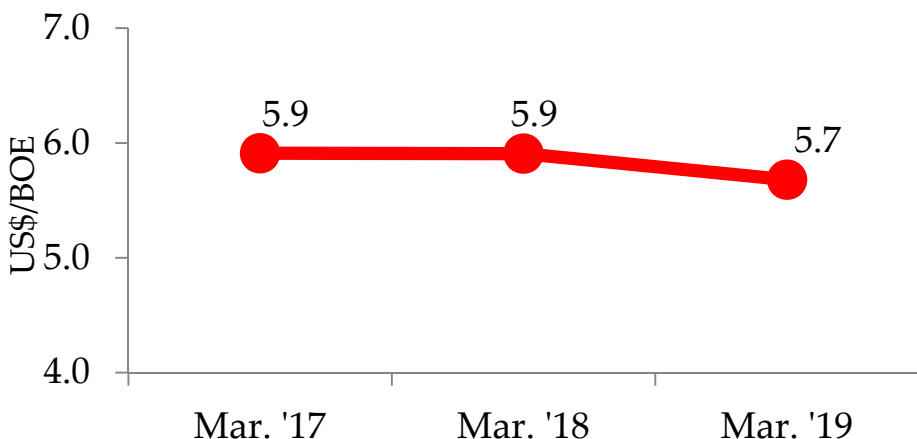
Production decrease factor:

- Expiration of Offshore Mahakam Block PSC

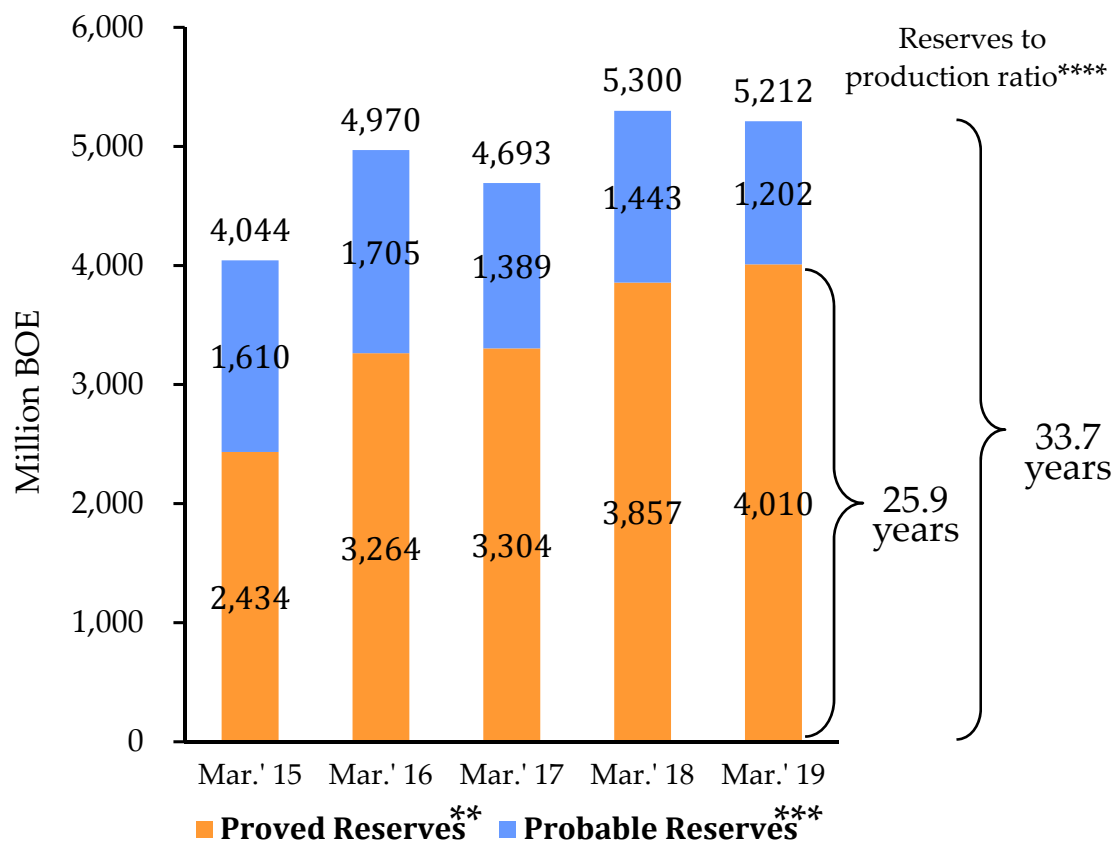
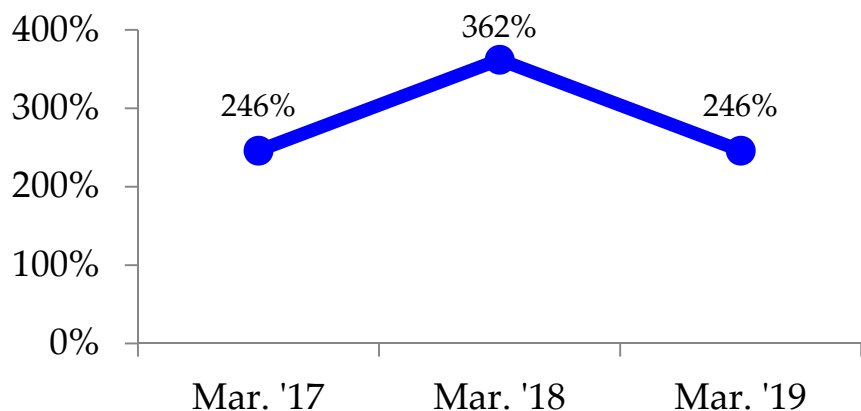
* The production volume of crude oil and natural gas under the production sharing contracts entered into by the INPEX Group corresponds to the net economic take of the INPEX Group.

Production Cost, Proved + Probable Reserves* and Reserve Indices **INPEX**

Production Cost per BOE (Excl. Royalty)



Reserve Replacement Ratio (3-year average)*****



* The reserves cover most of the INPEX Group projects including the portion attributable to non-controlling interests. The reserves of the large capital investment projects which should materially affect the company's future results are evaluated by DeGolyer & MacNaughton, while the others are evaluated internally. The reserves for Mar.'19 shown in this presentation are provisional.

** The proved reserves are evaluated in accordance with the SEC regulations. When probabilistic methods are employed, there should be at least a 90% probability that the quantities actually recovered will equal to or exceed the estimated proved reserves.

*** The probable reserves are evaluated in accordance with the Petroleum Resources Management System (PRMS) of SPE etc. When probabilistic methods are employed, there should be at least a 50% probability that the quantities actually recovered will equal to or exceed the sum of estimated proved and probable reserves. Probable reserves do not guarantee production of the total reserves during a future production period with the same certainty as proved reserves.

**** Reserves to production ratio = Reserves as of March 31, 2019 / Production for the year ended March 31, 2019

***** Reserve Replacement Ratio = Proved reserves increase including acquisition / production in the fiscal year

Progress of Medium-term Business Plan 2018-2022
and FY 2019/12 Outlook

Takayuki Ueda
Representative Director, President & CEO

Progress of Medium-term Business Plan 2018-2022 and FY 2019/12 Outlook①



- Made steady progress toward achieving targets set in the medium-term business plan by reaching important milestones, such as production start-up and shipment of Ichthys LNG Project in FY 2019/03
- Aiming for steady achievement of further milestones including rapid and steady ramp-up of Ichthys LNG Project in FY 2019/12

	FY 2019/03 Results (First Year of the Mid-term Plan) April 2018~March 2019	FY 2019/12 Initiatives & Outlook (Second Year of the Mid-term Plan) April 2019~December 2019: 9-month accounting period
Sustainable Growth of Oil and Natural Gas E&P Activities	<ul style="list-style-type: none"> ■ Ichthys LNG Project: Achieved production start-up, shipments and steady ramp-up ■ Abadi LNG Project: Conducted Pre-FEED work ■ Abu Dhabi Oil Fields: Appointed as Asset Leader for Lower Zakum Oil Field ■ Prelude FLNG Project: Achieved production start-up ■ Pursuing long-term growth drivers: Awarded exploration blocks in Norway. Acquired tight oil project in Texas, US 	<ul style="list-style-type: none"> ■ Ichthys LNG Project: Aim for rapid and steady ramp-up ■ Abadi LNG Project: Implement initiatives for FID at an early stage ■ Abu Dhabi Oil Fields: Continue development work to increase production capacity of each oil field ■ ACG Oil Fields: Made FID on further development ■ Exploration activities: Drive exploration activities in Abu Dhabi, Iraq, Norway and Gulf of Mexico etc. Continue studies in priority exploration areas
Development of Global Gas Value Chain Business	<ul style="list-style-type: none"> ■ Domestic: Achieved approx. 2,170 million m³ of natural gas sales ■ Overseas: Conducted LNG/Gas marketing for FID on Abadi LNG Project. Implemented initiatives to create business for natural gas demand generation 	<ul style="list-style-type: none"> ■ Domestic: Expect approx. 1,590 million m³ of natural gas sales (9-month accounting period) ■ Overseas: Continue LNG/Gas marketing for FID on Abadi LNG Project and initiatives to create business for natural gas demand generation
Reinforcement of Renewable Energy Initiatives	<ul style="list-style-type: none"> ■ Commenced commercial operations of 3rd unit of Sarulla geothermal IPP project in Indonesia ■ Studying entry into domestic wind power generation business ■ Established “Renewable Energy & Power Business Division” 	<ul style="list-style-type: none"> ■ Promote geothermal power generation business. Proactively enter wind power generation business ■ Enhance R&D of renewable energy technologies

Progress of Medium-term Business Plan 2018-2022 and FY 2019/12 Outlook②



- In FY 2019/03, net sales and net income increased year-on-year driven by higher oil prices and contribution from the Ichthys LNG Project, among other factors.
The company will aim for steady growth towards achieving the quantitative targets set in the medium-term business plan in FY 2019/12
- In terms of shareholder returns, INPEX has set the year-end dividend at ¥15 (adding a commemorative dividend of ¥6 to an ordinary dividend of ¥9) per common stock for the year ended March 31, 2019. Combined with the mid-term dividend of ¥9 per common stock, the planned total dividends for the year ended March 31, 2019 are ¥24 per common stock. The planned total dividends for the year ending December 31, 2019 are ¥24 per common stock.

	FY 2019/03 Results (First Year of the Mid-term Plan) April 2018-March 2019	FY 2019/12 Initiatives & Outlook (Second Year of the Mid-term Plan) April 2019-December 2019: 9-month accounting period	FY 2022/12 Targets (Final Year of the Mid-term Plan)
Assumptions: crude oil price (Brent) and exchange rate	US\$70.86/bbl • ¥110.93/US\$ (Actual)	US\$65 • ¥110/US\$	US\$60 • ¥110/US\$
Investment for growth	¥488.4 billion	¥285.0 billion (9-month accounting period)	Around ¥1,700 billion for the 5-year period
Net sales	¥971.3 billion	¥958.0 billion (9-month accounting period)	Around ¥1,300 billion
Net income	¥96.1 billion	¥90.0 billion (9-month accounting period)	Around ¥150 billion
Net production volume	424 KBOED	577 KBOED	700 KBOED
Shareholder return	Annual dividend: ¥24 per share (End of 2Q: ¥9 + End of FY: ¥15 (Ordinary dividend ¥9, Commemorative dividend ¥6)) Payout ratio: 36.5%	Annual dividend: ¥24 per share (End of 2Q: ¥12 + End of FY: ¥12) Payout ratio: 38.9%	<ul style="list-style-type: none"> ■ Maintain base dividend of at least ¥24 per share ■ Enhance shareholder returns in stages in accordance with the improvement in the Company's financial performance ■ Payout ratio: 30% or higher

Financial Results for the year ended March 31, 2019

Masahiro Murayama

Director, Senior Managing Executive Officer

Senior Vice President, Finance & Accounting

Highlights of the Consolidated Financial Results for the year ended March 31, 2019



	Apr. '17 - Mar. '18	Apr. '18 - Mar. '19	Change	%Change
Net sales (Billions of yen)	933.7	971.3	37.6	4.0%
Crude oil sales	710.2	782.6	72.4	10.2%
Natural gas sales (including LPG)	208.1	170.7	(37.3)	(18.0%)
Others	15.3	17.9	2.6	17.4%
Operating income (Billions of yen)	357.3	474.2	116.9	32.7%
Ordinary income (Billions of yen)	387.2	519.2	132.0	34.1%
Net income attributable to owners of parent (Billions of yen)	40.3	96.1	55.7	138.1%
Net income per share (Yen)	27.64	65.81	38.17	138.1%

Average number of INPEX shares issued and outstanding during the year ended March 31, 2019: 1,460,260,300

Average crude oil price (Brent) (\$/bbl)	57.85	70.86	13.01	22.5%
Average exchange rate (¥/\$)	110.86	110.93	0.07yen depreciation	0.1% depreciation

Crude Oil Sales



	Apr. '17 - Mar. '18	Apr. '18 - Mar. '19	Change	%Change
Net sales (Billions of yen)	710.2	782.6	72.4	10.2%

Sales volume (thousand bbl)	112,882	100,503	(12,379)	(11.0%)
Average unit price of overseas production (\$/bbl)	56.30	70.30	14.00	24.9%
Average unit price of domestic production (¥/kl)	42,143	51,667	9,524	22.6%
Average exchange rate (¥/\$)	111.35	110.73	0.62yen Appreciation	0.6% Appreciation

Sales volume by region (thousand bbl)	Apr. '17 - Mar. '18	Apr. '18 - Mar. '19	Change	%Change
Japan	940 (149.5 thousand kl)	789 (125.4 thousand kl)	(151) (-24.1 thousand kl)	(16.1%)
Asia & Oceania	6,554	5,621	(932)	(14.2%)
Eurasia (Europe & NIS)	13,266	15,115	1,849	13.9%
Middle East & Africa	90,412	78,048	(12,364)	(13.7%)
Americas	1,710	930	(780)	(45.6%)
Total	112,882	100,503	(12,379)	(11.0%)

Natural Gas Sales (excluding LPG)



	Apr. '17 - Mar. '18	Apr. '18 - Mar. '19	Change	%Change
Net sales (Billions of yen)	202.0	169.2	(32.8)	(16.3%)

Sales volume (million cf)	264,816	232,851	(31,965)	(12.1%)
Average unit price of overseas production (\$/thousand cf)	5.04	3.18	(1.86)	(36.9%)
Average unit price of domestic sales (¥/m ³)	46.36	53.46	7.10	15.3%
Average exchange rate (¥/\$)	110.70	110.21	0.49yen Appreciation	0.4% Appreciation

Sales volume by region (million cf)	Apr. '17 - Mar. '18	Apr. '18 - Mar. '19	Change	%Change
Japan	79,243 (2,123million m ³ *)	80,930 (2,169million m ³ *)	1,687 (+45million m ³ *)	2.1%
Asia & Oceania	137,371	106,703	(30,668)	(22.3%)
Eurasia (Europe & NIS)	7,808	9,996	2,188	28.0%
Middle East & Africa	-	-	-	-
Americas	40,394	35,223	(5,171)	(12.8%)
Total	264,816	232,851	(31,965)	(12.1%)

*1m³=41.8605MJ

(FYI) LPG Sales

	Apr. '17 - Mar. '18	Apr. '18 - Mar. '19	Change	%Change
Net Sales (Billions of yen)	6.0	1.5	(4.5)	(75.1%)

Statement of Income

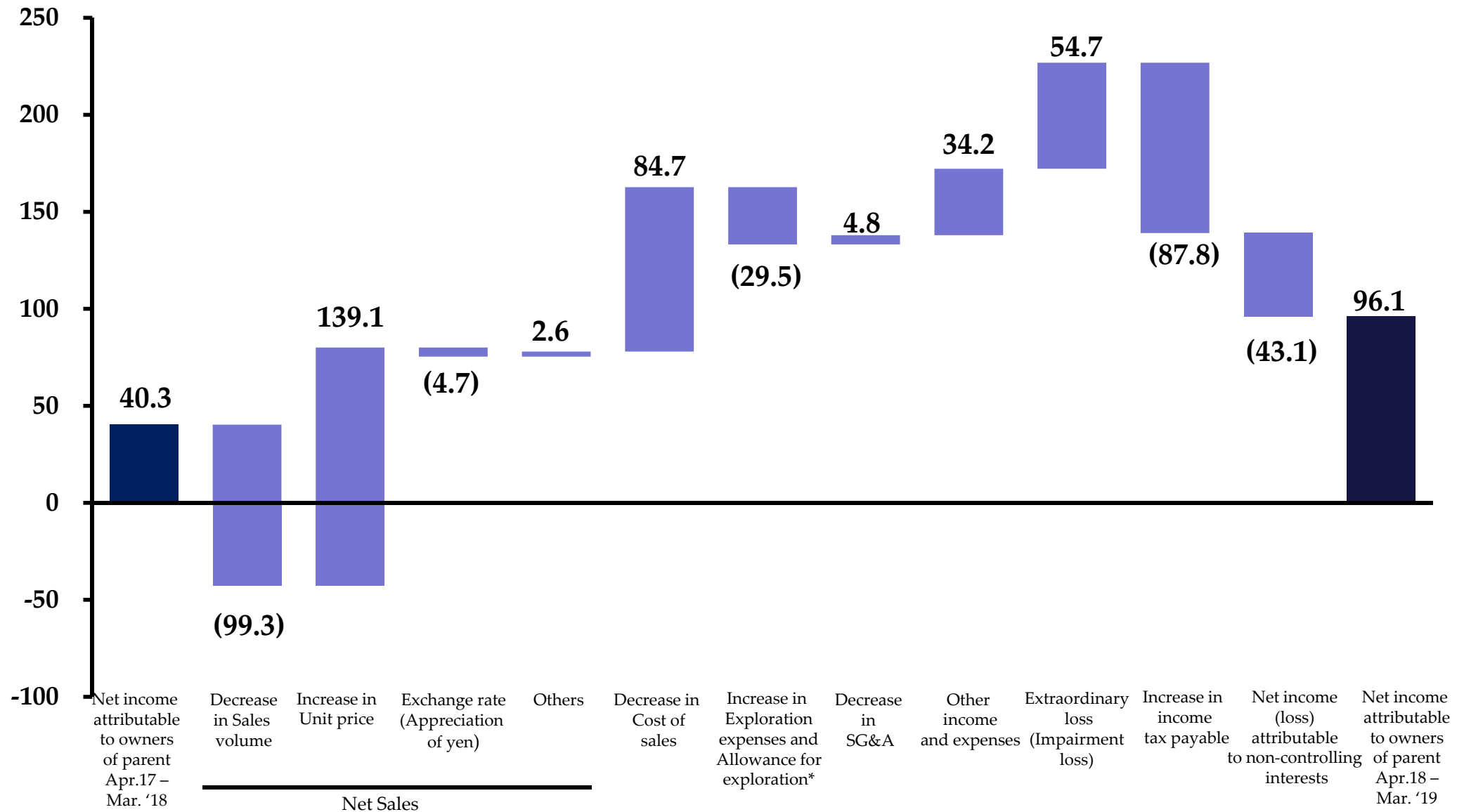


(Billions of Yen)	Apr. '17- Mar. '18	Apr. '18 - Mar. '19	Change	%Change	
Net sales	933.7	971.3	37.6	4.0%	Decrease in sales volume : (99.3) Increase in unit price : +139.1 Exchange rate (Appreciation of yen) : (4.7) Others : +2.6
Cost of sales	498.0	413.3	(84.7)	(17.0%)	
Gross profit	435.6	558.0	122.4	28.1%	Cost of sales for Crude Oil : 299.9 (Change) (58.7) Cost of sales for Natural Gas* : 99.6 (Change) (26.5) * Including LPG
Exploration expenses	1.3	11.6	10.3	-	
Selling, general and administrative expenses	76.9	72.1	(4.8)	(6.3%)	
Operating income	357.3	474.2	116.9	32.7%	
Other income	55.2	70.9	15.6	28.3%	Main factors for change : Equity in earnings of affiliates +24.1
Other expenses	25.3	25.9	0.5	2.2%	
Ordinary income	387.2	519.2	132.0	34.1%	Main factors for change : Interest expense +10.2 Foreign exchange loss (10.4)
Extraordinary loss (Impairment loss)	79.9	25.2	(54.7)	(68.4%)	
Total income taxes	309.3	397.2	87.8	28.4%	
Net income (loss) attributable to non-controlling interests	(42.4)	0.6	43.1	-	Main factor for change : Shale Gas Project in Canada (66.6)
Net income attributable to owners of parent	40.3	96.1	55.7	138.1%	

Analysis of Net Income Increase



(Billions of Yen)



Balance Sheet



(Billions of yen)	Mar. '18	Mar. '19	Change	%Change
Current assets	466.3	457.7	(8.6)	(1.9%)
Tangible fixed assets	2,044.6	2,278.9	234.3	11.5%
Intangible assets	541.5	520.2	(21.2)	(3.9%)
Recoverable accounts under production sharing	589.0	568.0	(21.0)	(3.6%)
Other	692.4	1,038.5	346.1	50.0%
Less allowance for recoverable accounts under production sharing	(81.6)	(70.0)	11.6	(14.2%)
Total assets	4,252.3	4,793.5	541.1	12.7%
Current liabilities	305.4	372.0	66.5	21.8%
Long-term liabilities	788.0	1,163.9	375.8	47.7%
Total net assets	3,158.8	3,257.5	98.7	3.1%
(Non-controlling interests)	242.1	251.1	8.9	3.7%
Total liabilities and net assets	4,252.3	4,793.5	541.1	12.7%
Net assets per share (Yen)	1,997.24	2,058.95	61.71	3.1%

Summary of financial information for Ichthys downstream JV (100% basis, including the Company's equity share 66.245%)
(Billions of yen)

- Current assets : 140.1
- Fixed assets : 3,789.6
- Total assets: 3,929.8

※Fixed assets include interest expense which are not included in CAPEX, and capitalized costs before FID.

Total shareholders' equity : +69.6
Accumulated other comprehensive income (Billions of yen) : +20.1

- Unrealized holding gain (loss) on securities : (7.3)
- Unrealized gain (loss) from hedging instruments : (19.3)
- Translation adjustments : +46.9

Statement of Cash Flows



(Billions of Yen)	Apr. '17 - Mar. '18	Apr. '18 - Mar. '19	Change	%Change
Income before income taxes	307.2	494.0	186.7	60.8%
Depreciation and amortization	92.8	106.8	14.0	15.2%
Impairment loss	79.9	25.2	(54.7)	(68.4%)
Recovery of recoverable accounts under production sharing (capital expenditures)	53.4	33.1	(20.3)	(38.0%)
Recoverable accounts under production sharing (operating expenditures)	9.6	4.6	(4.9)	(51.8%)
Income taxes paid	(329.2)	(388.0)	(58.8)	17.9%
Other	64.6	(37.2)	(101.9)	-
Net cash provided by (used in) operating activities	278.5	238.5	(39.9)	(14.4%)
Payments for time deposits / Proceeds from time deposits	333.9	0.0	(333.9)	(100.0%)
Payments for purchases of tangible fixed assets	(271.3)	(210.7)	60.5	(22.3%)
Payments for purchases of investment securities	(127.7)	(104.7)	23.0	(18.0%)
Investment in recoverable accounts under production sharing (capital expenditures)	(24.1)	(31.6)	(7.4)	31.1%
Long-term loans made / Collection of long-term loans receivable	(172.2)	(262.4)	(90.1)	52.3%
Payments for purchases of mining rights	(100.9)	(107.8)	(6.9)	6.9%
Other	10.5	35.3	24.7	234.1%
Net cash provided by (used in) investing activities	(351.9)	(682.0)	(330.0)	93.8%
Net cash provided by (used in) financing activities	34.7	405.1	370.4	-
Cash and cash equivalents at end of the period	276.0	239.6	(36.4)	(13.2%)

Consolidated Financial Forecasts for the year ending
December 31, 2019 (nine-month accounting period)

Masahiro Murayama

Director, Senior Managing Executive Officer

Senior Vice President, Finance & Accounting

Consolidated Financial Forecasts for the year ending December 31, 2019 (nine-month accounting period) **INPEX**

	1st Half (Apr. – Sep. '19)	2nd Half (Oct. – Dec. '19)	Full year
Brent oil price (\$/bbl)	65.0	65.0	65.0
Average exchange rate (¥/\$)	110.0	110.0	110.0

Full Year	Mar. '19 (Actual)		Mar. '19 (Adjusted actual*)	Dec. '19 (Forecasts)	Change	% Change
Net Sales (Billions of yen)	971.3	➔	800.1	958.0	157.9	19.7%
Operating Income (Billions of yen)	474.2		413.6	442.0	28.4	6.9%
Ordinary Income (Billions of yen)	519.2		445.6	430.0	(15.6)	(3.5%)
Net income attributable to owners of parent (Billions of yen)	96.1		52.3	90.0	37.7	72.1%

1st Half

Net Sales (Billions of yen)	438.2	➔	438.2	549.0	110.8	25.3%
Operating Income (Billions of yen)	226.4		226.4	244.0	17.6	7.8%
Ordinary Income (Billions of yen)	246.9		246.9	228.0	(18.9)	(7.7%)
Net income attributable to owners of parent (Billions of yen)	34.0		34.0	44.0	10.0	29.3%

Cash dividends per share (yen)	2Q End	9.0		12.0
	FY End	15.0		12.0
	TOTAL	24.0		24.0

* As FY2019 (nine-month period ending December 2019) is an irregular fiscal year, FY2018 (ended March 2019) has been adjusted based on the nine-month accounting period accordingly (some subsidiaries follow a twelve-month accounting period). See slide 1 of the Appendix for details.

FY 2019 dividend reference dates are September 30, 2019 for the mid-term dividend and December 31, 2019 for the year-end dividend.

Sales and Investment Plan for the year ending December 31, 2019 (nine-month accounting period) **INPEX**

		Mar. '19 (Actual)		Mar. '19 (Adjusted actual*)	Dec. '19 (Forecasts)	Change	% Change
Sales Volume	Crude oil (thousand bbl) ¹	100,503		85,138	102,695	17,557	20.6%
	Natural gas (million cf) ²	232,851		157,925	366,752	208,827	132.2%
	Overseas	151,921	→	100,828	307,425	206,597	204.9%
	Japan	80,930 (2,168 million m ³)		57,097 (1,529 million m ³)	59,327 (1,589 million m ³)	2,230 (59 million m ³)	3.9%
	LPG (thousand bbl) ³	204		203	435	232	114.3%
(Billions of yen)		Mar. '19 (Actual)		Mar. '19 (Adjusted actual*)	Dec. '19 (Forecasts)	Change	% Change
Development expenditure and others ⁴		471.0		370.6	263.0	(107.6)	(29.0%)
Exploration expenditure		13.7		6.4	18.0	11.6	181.3%
Other expenditure		3.7	→	2.6	4.0	1.4	53.8%
<i>Exploration expenses and Provision for explorations</i> ⁵		<i>Exploration expenses 11.6</i> <i>Provision for explorations 1.6</i> 13.3		<i>Exploration expenses 3.5</i> <i>Provision for explorations 2.8</i> 6.3	<i>Exploration expenses 13.7</i> <i>Provision for explorations 5.6</i> 19.3	13.0	206.3%
<i>(Non-controlling Interests Portion)</i> ⁶		1.8		1.5	5.3	3.8	253.3%

Note 1 CF for domestic crude oil sales and petroleum products : 1kl=6.29bbl

2 CF for domestic natural gas sales : 1m³=37.32cf

3 CF for domestic LPG sales : 1t=10.5bbl

4 Includes Ichthys downstream and asset acquisition expenditures

5 "Provision for allowance for recoverable accounts under production sharing" + "Provision for exploration projects", relating to exploration activities

6 Capital increase from Non-controlling interests, etc.

27 * As FY2019 (nine-month period ending December 2019) is an irregular fiscal year, FY2018 (ended March 2019) has been adjusted based on the nine-month accounting period accordingly (some subsidiaries follow a twelve-month accounting period). See slide 1 of the Appendix for details.

Net Income Sensitivities



- Sensitivities of crude oil price and foreign exchange fluctuation on consolidated net income attributable to owners of parent for the year ending December 31, 2019 (nine-month accounting period) (Note 1) (Billions of yen)

<ul style="list-style-type: none"> ■ Brent Crude Oil Price; \$1/bbl increase (decrease) (Note 2) 	<p style="text-align: center;"><u>At the Beginning of the 1Q : +3.8 (-3.8)</u></p> <p>The impact on net income will change in FY2019 as below;</p> <p style="text-align: center;">At the beginning of the 2Q : +1.9 (-1.9)</p> <p style="text-align: center;">At the beginning of the 3Q : +0.7 (-0.7)</p>
<ul style="list-style-type: none"> ■ Exchange Rate; ¥1 depreciation (appreciation) against the U.S. dollar (Note 3) 	<p style="text-align: center;">+1.8 (-1.8)</p>

(Note1) The sensitivities represent the impact on net income for the year ending December 31, 2019 (nine-month accounting period) against a \$1 /bbl increase (decrease) in the Brent crude oil price on average and a ¥ 1 depreciation (appreciation) against the U.S. dollar. These are based on the financial situation mainly of existing production projects at the beginning of the fiscal year. These are for reference purposes only and the actual impact may change due to fluctuations in production volumes, capital expenditures and cost recoveries, and may not be constant, depending on crude oil prices and exchange rates.

(Note2) This is a sensitivity on net income determined by fluctuations in the oil price and is subject to the average price of crude oil (Brent). As part of the sales price has been finalized at the beginning of each quarter, the sensitivity breakdown for each quarter is estimated taking into account the percentage of the finalized sales price as follows;

- ✓ At the beginning of the 1Q : +3.8 billions of yen (1Q : +0.7 billions of yen, 2Q : +1.2 billions of yen, 3Q : +1.9 billions of yen)
- ✓ At the beginning of the 2Q : +1.9 billions of yen (1Q : -----, 2Q : +0.7 billions of yen, 3Q : +1.2 billions of yen)
- ✓ At the beginning of the 3Q : +0.7 billions of yen (1Q : -----, 2Q : -----, 3Q : +0.7 billions of yen)

(Note3) This is a sensitivity on net income determined by fluctuation of the yen against the U.S. dollar and is subject to the average exchange rate. On the other hand, a sensitivity related to valuation for assets and liabilities denominated in the U.S. dollar on net income incurred by foreign exchange differences between the exchange rate at the end of the fiscal year and the end of the previous fiscal year is almost neutralized.