

Financial Result for the three months ended March 31, 2020 Support Material

INPEX CORPORATION
May 12, 2020



Cautionary Statement

INPEX

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.

- Due to the change in INPEX's accounting period to the January to December period from the April to March period, this support material compares 1Q FY2020/12 with the corresponding period of the previous year (Jan.-Mar.'19) for reference.
(Reference) same period last year is as follows;

< (Reference) Corresponding period of the previous year (Jan.-Mar. 2019) compared with 1Q FY2020/12 ⁽¹⁾ >

	(Reference) Corresponding period of the previous year				2019				2020			
	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec
INPEX and subsidiaries formerly with provisional settlements of accounts ⁽²⁾		2019/12			1Q	2020/12						
Subsidiaries formerly with a December 31 fiscal year-end ⁽³⁾		2019/12			1Q	2020/12						

1 The figures are unaudited figures for reference purposes only

2 INPEX, major domestic subsidiaries and overseas subsidiaries with provisional settlements of accounts. 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.

3 Subsidiaries adopting an accounting period from January to December. See P3 (consolidated subsidiaries and equity-method affiliates) for specific examples of subsidiaries formerly with provisional settlements of accounts and subsidiaries formerly with a December 31 fiscal year-end

Subsidiaries and Affiliates

65 consolidated subsidiaries

Major subsidiaries	Country/region	Ownership	Stage	Accounting term
Japan Oil Development Co., Ltd. ※	UAE	100%	Production	December
JODCO Onshore Limited	UAE	51 %	Production	December
JODCO Lower Zakum Limited	UAE	100%	Production	December
INPEX Sahul, Ltd.	Timor-Leste	100%	Production	December
INPEX Ichthys Pty Ltd※	Australia	100%	Production	December
INPEX Southwest Caspian Sea, Ltd. ※	Azerbaijan	51%	Production	December
INPEX North Caspian Sea, Ltd. ※	Kazakhstan	51%	Production	December
INPEX Oil & Gas Australia Pty Ltd	Australia	100%	Production	December
INPEX Eagle Ford, LLC	USA	100%	Production	December

20 equity method affiliates

Major affiliates	Country/region	Ownership	Stage	Accounting term
MI Berau B.V.	Indonesia	44%	Production	December
Angola Block 14 B.V.	Angola	49.99%	Production	December
Ichthys LNG Pty Ltd ※	Australia	66.245%	Production	December

※Subsidiaries formerly with provisional settlements of accounts

Highlights of the Consolidated Financial Results for the three months ended March 31, 2020

	(Reference) Corresponding period of the previous year (Jan.-Mar.' 19)	1Q FY2020 (Jan. - Mar. '20)	Change	%Change
Net sales (Billions of yen)	269.2	249.6	(19.5)	(7.3%)
Crude oil sales	199.1	163.0	(36.1)	(18.1%)
Natural gas sales (including LPG)	64.2	82.1	17.9	27.9%
Others	5.7	4.4	(1.3)	(22.8%)
Operating income (Billions of yen)	120.7	100.8	(19.8)	(16.5%)
Ordinary income (Billions of yen)	134.2	107.7	(26.5)	(19.8%)
Net income attributable to owners of parent (Billions of yen)	49.2	33.5	(15.7)	(31.9%)
Net income per share (Yen)	33.76	22.99	(10.77)	(31.9%)

Average number of INPEX shares issued and outstanding during the three months ended March 31, 2020: 1,460,201,920

Average crude oil price (Brent) (\$/bbl)	63.83	50.82	△ 13.01	(20.4%)
Average exchange rate (¥/\$)	110.23	108.91	1.32yen appreciation	1.2% appreciation

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Crude Oil Sales

	(Reference) Corresponding period of the previous year (Jan.-Mar.' 19)	1Q FY2020 (Jan. - Mar. '20)	Change	%Change
Net sales (Billions of yen)	199.1	163.0	(36.1)	(18.1%)
Sales volume (thousand bbl)	28,348	28,261	(87)	(0.3%)
Average unit price of overseas production (\$/bbl)	63.65	52.81	(10.84)	(17.0%)
Average unit price of domestic production (¥/kl)	44,009	40,526	(3,483)	(7.9%)
Average exchange rate (¥/\$)	110.39	109.16	1.23yen appreciation	1.1% appreciation

Sales volume by region (thousand bbl)	(Reference) Corresponding period of the previous year (Jan.-Mar.' 19)	1Q FY2020 (Jan. - Mar. '20)	Change	%Change
Japan	200 (31.8 thousand kl)	176 (28.0 thousand kl)	(24) (-3.8 thousand kl)	(12.0%)
Asia & Oceania	3,054	4,058	1,004	32.9%
Eurasia (Europe & NIS)	3,949	3,831	(117)	(3.0%)
Middle East & Africa	20,979	19,240	(1,740)	(8.3%)
Americas	166	956	790	475.2%
Total	28,348	28,261	(87)	(0.3%)

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	(Reference) Corresponding period of the previous year (Jan.-Mar.' 19)	1Q FY2020 (Jan. - Mar. '20)	Change	%Change
Net sales (Billions of yen)	63.6	81.2	17.6	27.7%

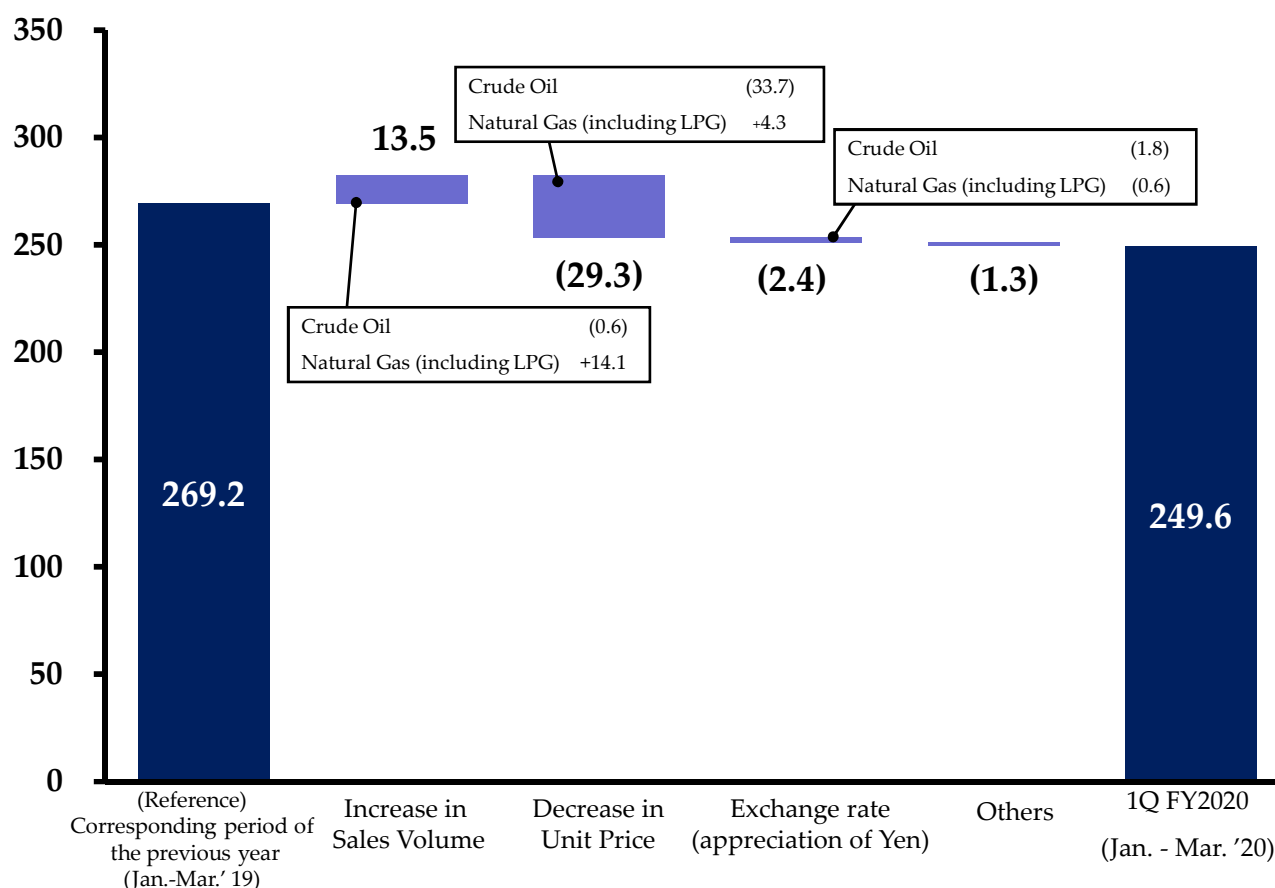
Sales volume (million cf)	87,020	121,252	34,231	39.3%
Average unit price of overseas production (\$/thousand cf)	3.78	4.63	0.85	22.5%
Average unit price of domestic sales (¥/m ³)	58.11	50.69	(7.42)	(12.8%)
Average exchange rate (¥/\$)	110.47	109.17	1.30yen appreciation	1.2% appreciation

Sales volume by region (million cf)	(Reference) Corresponding period of the previous year (Jan.-Mar.' 19)	1Q FY2020 (Jan. - Mar. '20)	Change	%Change
Japan	23,941 (641million m ³ *)	23,455 (628million m ³ *)	△ 486 (-13million m ³ *)	(2.0%)
Asia & Oceania	53,457	90,207	36,750	68.7%
Eurasia (Europe & NIS)	2,571	2,716	145	5.6%
Middle East & Africa	-	-	-	-
Americas	7,051	4,873	(2,178)	(30.9%)
Total	87,020	121,252	34,231	39.3%

*1m³=41.8605MJ

Analysis of Net Sales Decrease

(Billions of Yen)



Statement of Income

(Billions of Yen)	(Reference) Corresponding period of the previous year (Jan.-Mar.' 19)	1Q FY2020 (Jan. - Mar. '20)	Change	%Change	
Net sales	269.2	249.6	(19.5)	(7.3%)	Increase in sales volume : +13.5 Decrease in unit price : (29.3) Exchange rate (Appreciation of yen) : (2.4) Others : (1.3)
Cost of sales	122.1	129.2	7.1	5.8%	
Gross profit	147.0	120.3	(26.6)	(18.1%)	
Exploration expenses	8.1	0.9	(7.2)	(89.0%)	
Selling, general and administrative expenses	18.0	18.5	0.4	2.7%	
Operating income	120.7	100.8	(19.8)	(16.5%)	
Other income	23.1	25.7	2.6	11.4%	Main factors for change : Foreign exchange gain +3.2 Equity in earnings of affiliates +1.0 Gain on reversal of allowance for recoverable accounts under production sharing (1.4)
Other expenses	9.6	18.9	9.2	96.0%	
Ordinary income	134.2	107.7	(26.5)	(19.8%)	Main factor for change : Loss on valuation of investment securities +9.2
Extraordinary loss (Impairment loss)	5.5	-	(5.5)	(100.0%)	
Total income taxes	87.6	75.3	(12.3)	(14.1%)	
Net income (loss) attributable to non-controlling interests	(8.2)	(1.1)	7.0	(86.1%)	
Net income attributable to owners of parent	49.2	33.5	(15.7)	(31.9%)	

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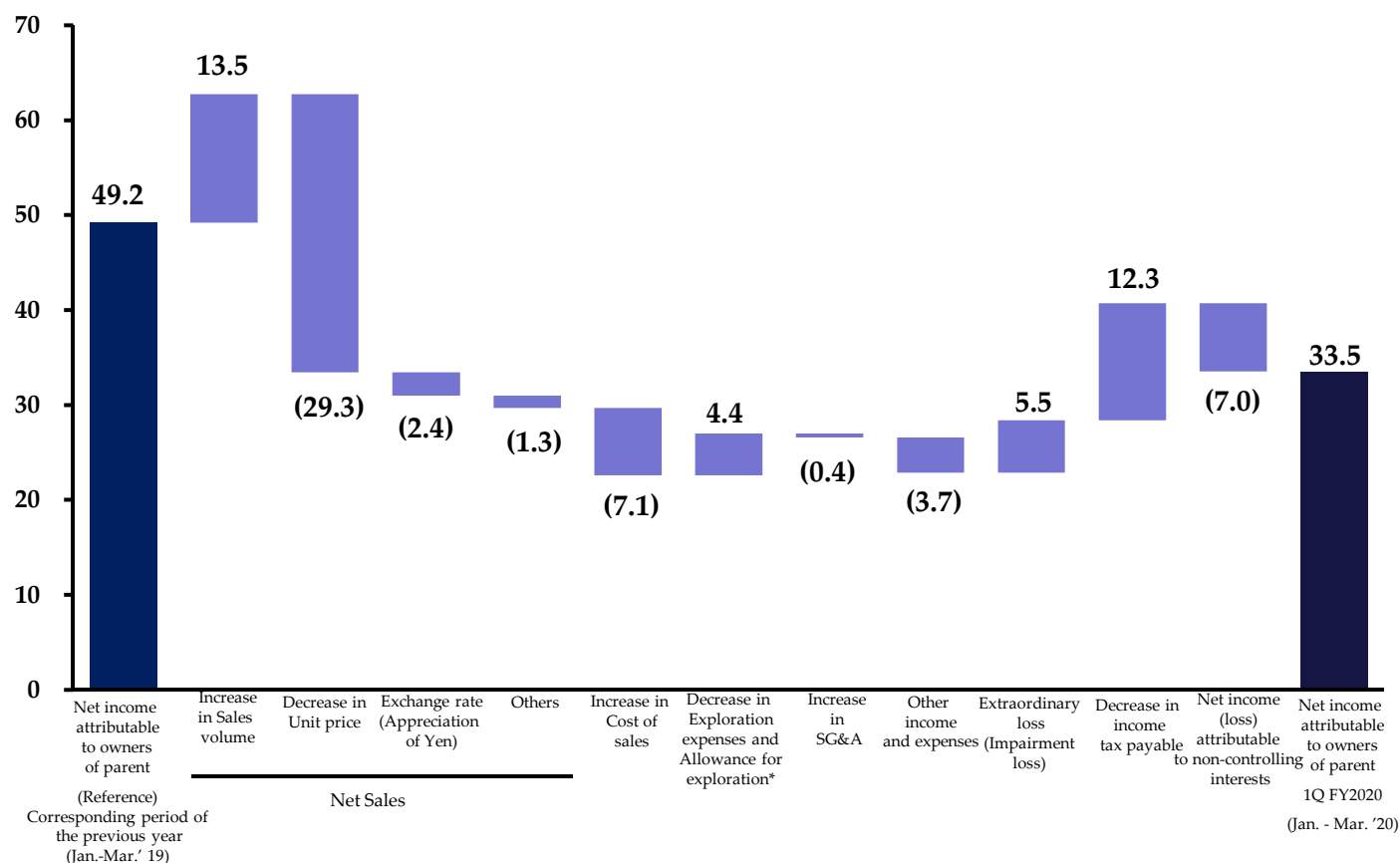
Other Income/Expenses

(Billions of Yen)	(Reference) Corresponding period of the previous year (Jan.-Mar.' 19)	1Q FY2020 (Jan. - Mar. '20)	Change	%Change
Other income	23.1	25.7	2.6	11.4%
Interest income	0.7	0.4	(0.3)	(41.6%)
Dividend income	4.4	4.5	0.1	2.4%
Equity in earnings of affiliates	14.1	15.2	1.0	7.4%
Gain on reversal of allowance for recoverable accounts under production sharing	1.4	-	(1.4)	(100.0%)
Foreign exchange gain	-	3.2	3.2	-
Other	2.2	2.2	(0.0)	(0.9%)
Other expenses	9.6	18.9	9.2	96.0%
Interest expense	6.3	6.0	(0.3)	(5.5%)
Provision for allowance for recoverable accounts under production sharing	-	1.6	1.6	-
Provision for exploration projects	0.2	-	(0.2)	(100.0%)
Loss on valuation of investment securities	-	9.2	9.2	-
Foreign exchange loss	1.8	-	(1.8)	(100.0%)
Other	1.2	2.0	0.7	63.1%

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(Billions of Yen)



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Revised Financial Forecasts for the year ending December 31, 2020

- Assumptions

(Feb 12, 2020)	1 st half (Jan. - Jun. '20)	2 nd half (Jul. - Jun. '20)	Full year
Crude oil price (Brent) (US\$/bbl)	60.0	60.0	60.0
Exchange rate (yen/US\$)	110.0	110.0	110.0

↓

(May 12, 2020)	1 st half (Jan. - Jun. '20)	2 nd half (Jul. - Jun. '20)	Full year
Crude oil price (Brent) (US\$/bbl)	40.4*1	30.0	35.2
Exchange rate (yen/US\$)	109.5*2	110.0	109.7

*1 1st quarter (Actual) : US\$ 50.8/bbl, 2nd quarter (Forecast) : US\$30.0/bbl

*2 1st quarter (Actual) : ¥108.9/US\$, 2nd quarter (Forecast) : ¥110.0/US\$

- Financial Forecasts

for the year ending December 31, 2020

	Previous forecasts (Feb 12, 2020)	Revised forecasts (May 12, 2020)	Change	% Change
Net sales (billions of yen)	1,204.0	710.0	(494.0)	(41.0%)
Operating income (billions of yen)	499.0	172.0	(327.0)	(65.5%)
Ordinary income (billions of yen)	536.0	163.0	(373.0)	(69.6%)
Net income attributable to owners of parent (billions of yen)	145.0	10.0	(135.0)	(93.1%)

- Financial Forecasts for the six months ending June 30, 2020

Net sales (billions of yen)	606.0	408.0	(198.0)	(32.7%)
Operating income (billions of yen)	257.0	133.0	(124.0)	(48.2%)
Ordinary income (billions of yen)	272.0	145.0	(127.0)	(46.7%)
Net income attributable to owners of parent (billions of yen)	70.0	35.0	(35.0)	(50.0%)

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Appendix



LPG Sales

INPEX

	(Reference) Corresponding period of the previous year (Jan.-Mar.' 19)	1Q FY2020 (Jan. - Mar. '20)	Change	%Change
Net sales (Billions of yen)	0.6	0.9	0.2	44.5%
Sales volume (thousand bbl)	72	118	46	64.3%
Average unit price of overseas production (\$/bbl)	45.02	36.57	(8.45)	(18.8%)
Average unit price of domestic production (¥/kg)	67.65	69.15	1.50	2.2%
Average exchange rate (¥/\$)	110.34	108.84	1.50yen appreciation	1.4% appreciation

Sales volume by region (thousand bbl)	(Reference) Corresponding period of the previous year (Jan.-Mar.' 19)	1Q FY2020 (Jan. - Mar. '20)	Change	%Change
Japan	1 (0.1 thousand ton)	1 (0.1 thousand ton)	(0) (-0.0 thousand ton)	(19.4%)
Asia & Oceania	71	118	46	65.2%
Eurasia (Europe & NIS)	-	-	-	-
Middle East & Africa	-	-	-	-
Americas	-	-	-	-
Total	72	118	46	64.3%

(Billions of yen)	Dec. '19	Mar. '20	Change	%Change
Current assets	419.8	386.2	(33.5)	(8.0%)
Tangible fixed assets	2,275.3	2,249.1	(26.1)	(1.2%)
Intangible assets	535.3	527.9	(7.3)	(1.4%)
Recoverable accounts under production sharing	568.3	568.2	(0.1)	(0.0%)
Other	1,118.0	1,059.6	(58.3)	(5.2%)
Less allowance for recoverable accounts under production sharing	(66.8)	(68.5)	(1.6)	2.4%
Total assets	4,849.9	4,722.7	(127.2)	(2.6%)
Current liabilities	401.4	361.3	(40.1)	(10.0%)
Long-term liabilities	1,151.3	1,122.6	(28.6)	(2.5%)
Total net assets	3,297.1	3,238.7	(58.4)	(1.8%)
(Non-controlling interests)	256.4	252.6	(3.7)	(1.5%)
Total liabilities and net assets	4,849.9	4,722.7	(127.2)	(2.6%)
Net assets per share (Yen)	2,082.43	2,044.98	(37.45)	(1.8%)

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

- Current assets : 188.2
 - Fixed assets : 3,688.3
 - Total assets: 3,876.5
- ※Fixed assets include interest expense which are not included in CAPEX, and capitalized costs before FID.

The total of long-term loans, short term loans and commercial papers is 1.1trillion yen.

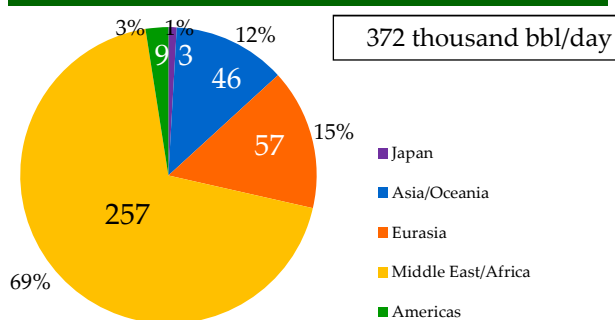
Adding the off-balanced net loans of the Ichthys IJV (as of Mar. 2020) brings the total of INPEX net loans to be 2.3 trillion yen (Mar. 2020).

Total shareholders' equity : +7.2
Accumulated other comprehensive income (Billions of yen) : (61.9)

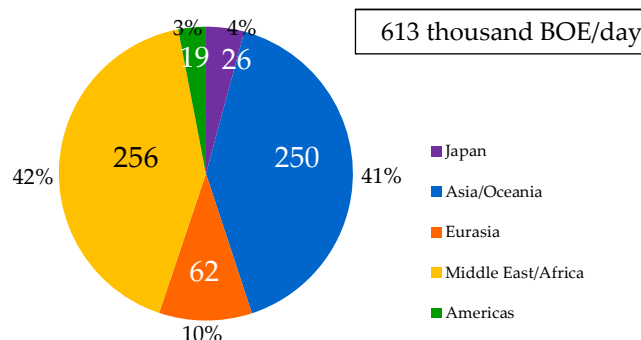
- Unrealized gain (loss) from hedging instruments : (45.7)
- Translation adjustments : (11.9)

Net Production* (Jan. 2020 – Mar. 2020)

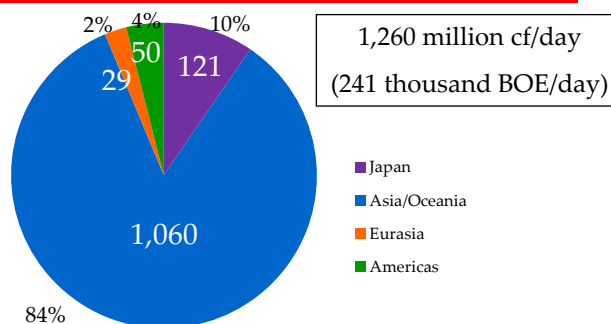
Crude Oil/Condensate/LPG



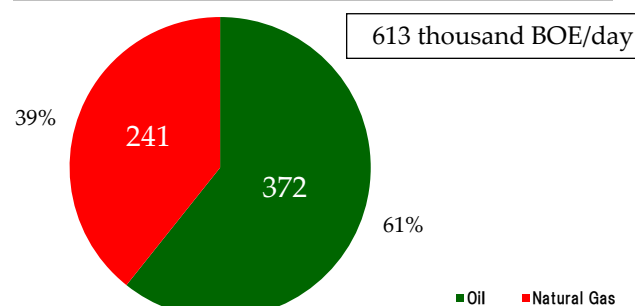
Total



Natural Gas

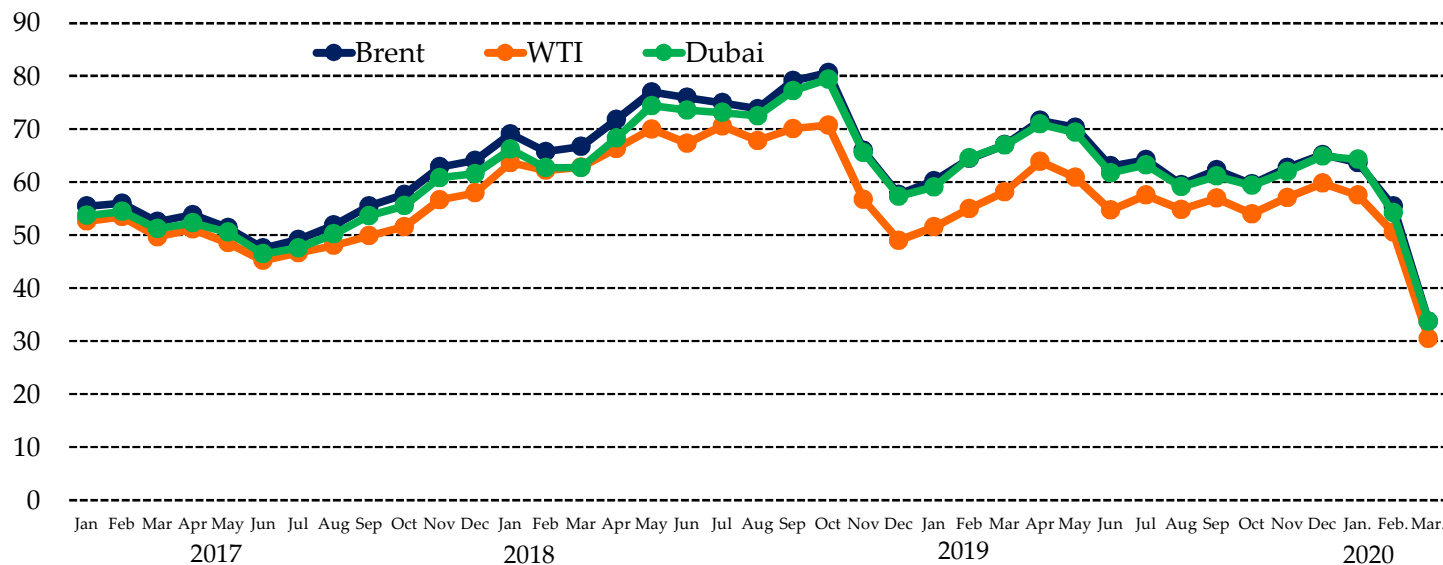


Total



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

(US\$/bbl)



	2019			Jan.- Mar. 2019	2019									2020			Jan.- Mar. 2020
	Jan.	Feb.	Mar.	Average	Apr.	May.	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Average
Brent	60.24	64.43	67.03	63.90	71.63	70.30	63.04	64.21	59.50	62.29	59.63	62.71	65.17	63.67	55.48	33.73	50.96
WTI	51.55	54.98	58.17	54.90	63.87	60.87	54.71	57.55	54.84	56.97	54.01	57.07	59.80	57.53	50.54	30.45	46.17
Dubai	59.08	64.57	66.93	63.53	70.95	69.38	61.76	63.25	59.11	61.12	59.37	61.97	64.89	64.29	54.22	33.70	50.74