
Financial Results

for the three months ended June 30, 2018

INPEX CORPORATION

August 9, 2018

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.

Subsidiaries and Affiliates



64 consolidated subsidiaries

Major subsidiaries	Country/region	Ownership	Stage	Accounting term
Japan Oil Development Co., Ltd.	UAE	100%	Production	March (provisional settlement of account)
JODCO Onshore Limited	UAE	51 %	Production	December
JODCO Lower Zakum Limited	UAE	100%	Production	December
INPEX Sahul, Ltd.	Timor Sea Joint Petroleum Development Area	100%	Production	December
INPEX Ichthys Pty Ltd	Australia	100%	*	March (provisional settlement of account)
INPEX Southwest Caspian Sea, Ltd.	Azerbaijan	51%	Production	March (provisional settlement of account)
INPEX North Caspian Sea, Ltd.	Kazakhstan	51%	Production	March (provisional settlement of account)
INPEX Oil & Gas Australia Pty Ltd	Australia	100%	Development	December
INPEX Gas British Columbia Ltd.	Canada	45.09%	Production/ Evaluation	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
INPEX Offshore North Campos, Ltd.	Brazil	37.5%	Production	December
Ichthys LNG Pty Ltd	Australia	62.245%	*	March (provisional settlement of account)

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*Production of gas from the wellhead has been commenced as announced on July 30, 2018

Highlights of the Consolidated Financial Results for the three months ended June 30, 2018



	Apr. - Jun. '17	Apr. - Jun. '18	Change	%Change
Net sales (Billions of yen)	217.8	202.3	(15.5)	(7.1%)
Crude oil sales	156.9	169.4	12.4	8.0%
Natural gas sales (including LPG)	58.0	29.1	(28.8)	(49.7%)
Others	2.8	3.7	0.8	29.7%
Operating income (Billions of yen)	87.2	103.9	16.7	19.2%
Ordinary income (Billions of yen)	95.5	116.2	20.7	21.7%
Net income attributable to owners of parent (Billions of yen)	20.0	16.8	(3.2)	(16.0%)
Net income per share (Yen)	13.71	11.51	(2.20)	(16.0%)

Average number of INPEX shares issued and outstanding during the three months ended June 30, 2018: 1,460,357,100

Average crude oil price (Brent) (\$/bbl)	50.79	74.97	24.18	47.6%
Average exchange rate (¥/\$)	111.10	109.10	2.00yen appreciation	1.8% appreciation

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Crude Oil Sales



	Apr. - Jun. '17	Apr. - Jun. '18	Change	%Change
Net sales (Billions of yen)	156.9	169.4	12.4	8.0%

Sales volume (thousand bbl)	27,074	22,066	(5,009)	(18.5%)
Average unit price of overseas production (\$/bbl)	51.19	70.52	19.33	37.8%
Average unit price of domestic production (¥/kl)	38,265	52,946	14,681	38.4%
Average exchange rate (¥/\$)	111.71	108.82	2.89yen appreciation	2.6% appreciation

Sales volume by region (thousand bbl)	Apr. - Jun. '17	Apr. - Jun. '18	Change	%Change
Japan	238 (37.8 thousand kl)	176 (28.0 thousand kl)	(62) (-9.8 thousand kl)	(25.9%)
Asia & Oceania	1,920	428	(1,492)	(77.7%)
Eurasia (Europe & NIS)	3,130	3,906	776	24.8%
Middle East & Africa	21,323	17,218	(4,105)	(19.3%)
Americas	463	337	(126)	(27.2%)
Total	27,074	22,066	(5,009)	(18.5%)

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Natural Gas Sales (excluding LPG)



	Apr. - Jun. '17	Apr. - Jun. '18	Change	%Change
Net sales (Billions of yen)	56.7	28.7	(27.9)	(49.3%)

Sales volume (million cf)	77,023	35,177	(41,846)	(54.3%)
Average unit price of overseas production (\$/thousand cf)	5.42	2.94	(2.48)	(45.8%)
Average unit price of domestic sales (¥/m ³)	45.10	49.11	4.01	8.9%
Average exchange rate (¥/\$)	110.90	105.90	5.00yen appreciation	4.5% appreciation

Sales volume by region (million cf)	Apr. - Jun. '17	Apr. - Jun. '18	Change	%Change
Japan	17,144 (459million m ³ *)	17,715 (475million m ³ *)	571 (+15million m ³ *)	3.3%
Asia & Oceania	47,577	5,692	(41,884)	(88.0%)
Eurasia (Europe & NIS)	1,783	2,392	609	34.2%
Middle East & Africa	-	-	-	-
Americas	10,519	9,378	(1,141)	(10.9%)
Total	77,023	35,177	(41,846)	(54.3%)

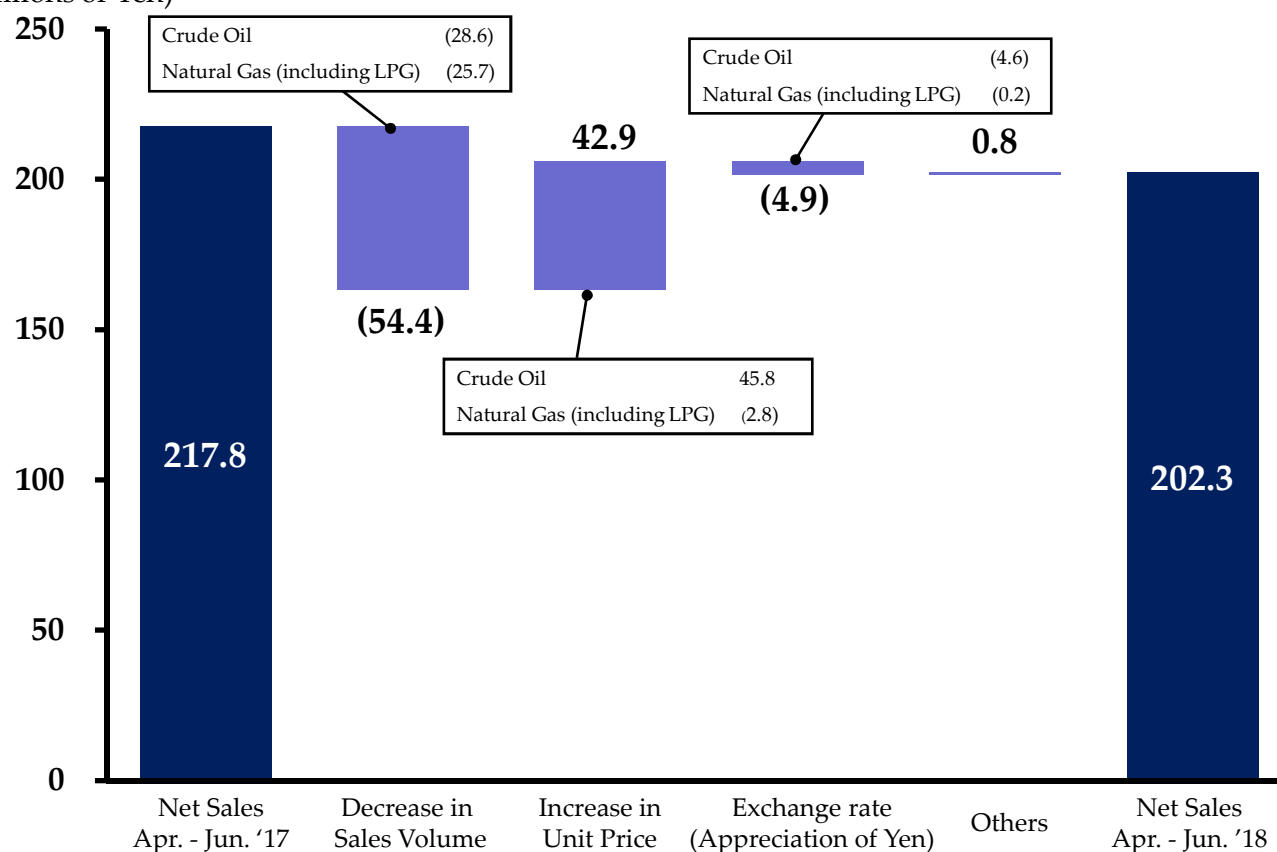
*1m³=41.8605MJ

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Analysis of Net Sales Decrease

INPEX

(Billions of Yen)



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Statement of Income

INPEX

(Billions of Yen)

Apr. - Jun. '17 Apr. - Jun. '18 Change %Change

Net sales	217.8	202.3	(15.5)	(7.1%)
Cost of sales	110.9	80.1	(30.8)	(27.8%)
Gross profit	106.9	122.2	15.3	14.3%
Exploration expenses	0.4	0.1	(0.2)	(61.4%)
Selling, general and administrative expenses	19.2	18.1	(1.1)	(5.8%)
Operating income	87.2	103.9	16.7	19.2%
Other income	11.0	19.8	8.8	80.3%
Other expenses	2.7	7.6	4.8	176.1%
Ordinary income	95.5	116.2	20.7	21.7%
Total income taxes	72.6	95.2	22.5	31.1%
Net income (loss) attributable to non-controlling interests	2.8	4.1	1.3	48.5%
Net income attributable to owners of parent	20.0	16.8	(3.2)	(16.0%)

Decrease in sales volume : (54.4)
 Increase in unit price : +42.9
 Exchange rate (Appreciation of yen) : (4.9)
 Others : +0.8

Cost of sales for Crude Oil : 60.6 (Change) (18.8)
 Cost of sales for Natural Gas* : 16.8 (Change) (12.2)
 * Including LPG

Main factors for change :
 Gain on reversal of allowance for recoverable accounts under production sharing (4.4)
 Compensation income +7.3
 Equity in earnings of affiliates +3.7

Main factor for change :
 Provision of allowance for doubtful accounts +2.3

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Other Income/Expenses

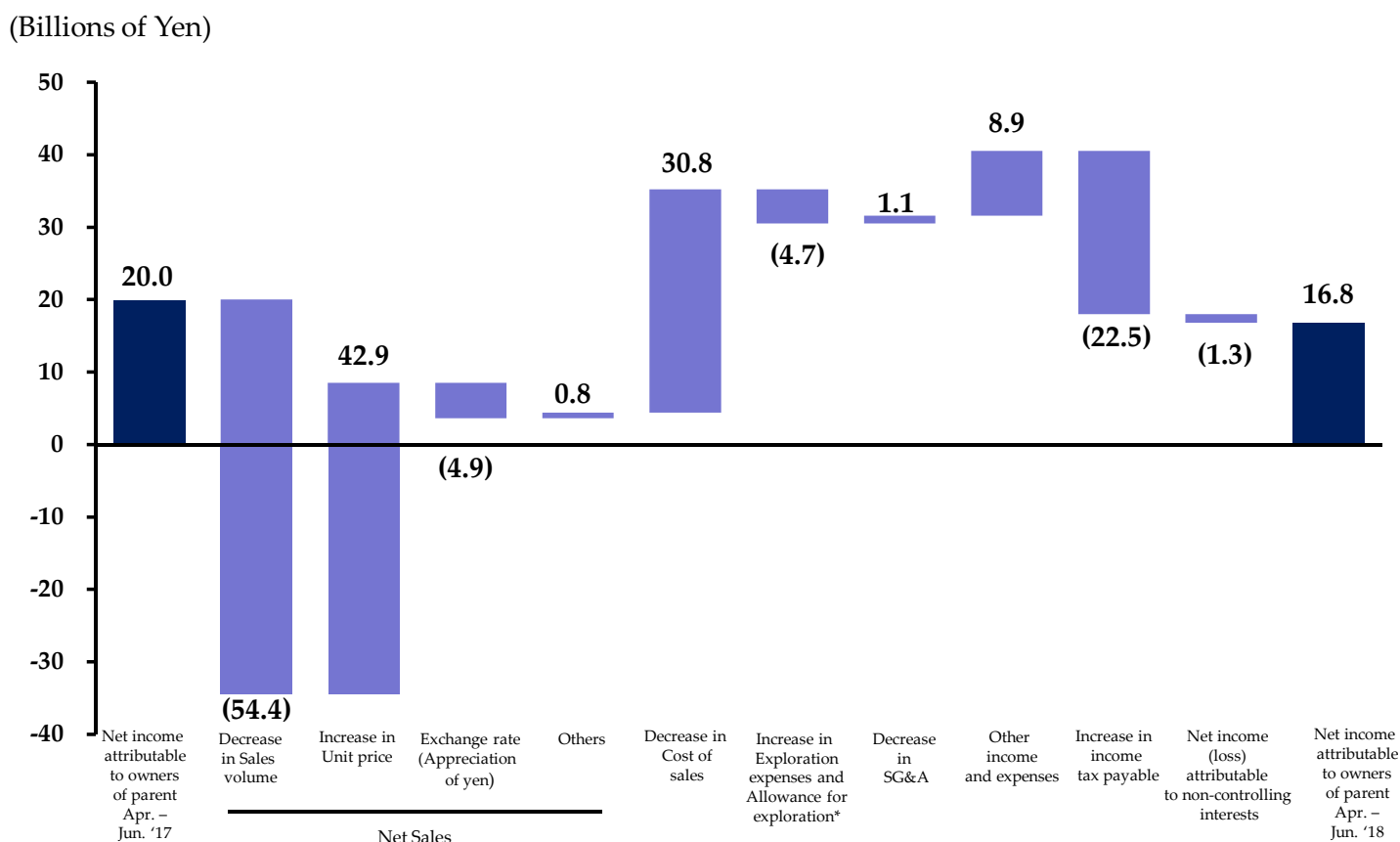


(Billions of Yen)	Apr. - Jun. '17	Apr. - Jun. '18	Change	%Change
Other income	11.0	19.8	8.8	80.3%
Interest income	1.7	1.5	(0.2)	(12.1%)
Dividend income	1.8	1.0	(0.7)	(41.6%)
Equity in earnings of affiliates	1.0	4.8	3.7	362.6%
Gain on reversal of allowance for recoverable accounts under production sharing	4.4	-	(4.4)	(100.0%)
Foreign exchange gain	0.0	1.4	1.4	-
Compensation income	-	7.3	7.3	-
Other	1.8	3.5	1.6	88.3%
Other expenses	2.7	7.6	4.8	176.1%
Interest expense	1.4	2.0	0.6	44.9%
Provision of allowance for doubtful accounts	0.2	2.6	2.3	-
Provision for allowance for recoverable accounts under production sharing	-	0.5	0.5	-
Other	1.0	2.3	1.2	119.1%

Compensation for termination of Ecuador's Block 18

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Analysis of Net Income Decrease



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*Provision for (gain on reversal of) allowance for recoverable accounts under production sharing

Revised Financial Forecasts for the year ending March 31, 2019

- Assumptions

(May 10, 2018)	1 st half	2 nd half	Full year
Crude oil price (Brent) (US\$/bbl)	65.0	65.0	65.0
Exchange rate (yen/US\$)	105.0	105.0	105.0



(Aug 9, 2018)	1 st half	2 nd half	Full year
Crude oil price (Brent) (US\$/bbl)	72.5*1	70.0	71.2
Exchange rate (yen/US\$)	109.6*2	110.0	109.8

*1 1st quarter (Actual) : US\$75.0/bbl, 2nd quarter (Forecast) : US\$70.0/bbl *2 1st quarter (Actual) : ¥109.1/US\$1, 2nd quarter (Forecast) : ¥110.0/US\$1

- Financial Forecasts

for the year ending March 31, 2019

	Previous forecasts (May 10, 2018)	Revised forecasts (Aug 9, 2018)	Change	% Change
Net sales (billions of yen)	860.0	945.0	85.0	9.9%
Operating income (billions of yen)	377.0	460.0	83.0	22.0%
Ordinary income (billions of yen)	371.0	463.0	92.0	24.8%
Net income attributable to owners of parent (billions of yen)	48.0	48.0	-	-

- Financial Forecasts for the six months ending September 30, 2018

Net sales (billions of yen)	384.0	419.0	35.0	9.1%
Operating income (billions of yen)	165.0	211.0	46.0	27.9%
Ordinary income (billions of yen)	165.0	222.0	57.0	34.5%
Net income attributable to owners of parent (billions of yen)	12.0	25.0	13.0	108.3%

Appendix

LPG Sales

	Apr. - Jun. '17	Apr. - Jun. '18	Change	%Change
Net sales (Billions of yen)	1.2	0.4	(0.8)	(68.1%)
Sales volume (thousand bbl)	287	75	(211)	(73.7%)
Average unit price of overseas production (\$/bbl)	40.01	49.89	9.88	24.7%
Average unit price of domestic production (¥/kg)	65.04	71.77	6.73	10.3%
Average exchange rate (¥/\$)	111.86	108.54	3.32yen appreciation	3.0% appreciation

Sales volume by region (thousand bbl)	Apr. - Jun. '17	Apr. - Jun. '18	Change	%Change
Japan	1 (0.1 thousand ton)	1 (0.1 thousand ton)	(0) (-0.0 thousand ton)	(7.5%)
Asia & Oceania	286	74	(211)	(73.9%)
Eurasia (Europe & NIS)	-	-	-	-
Middle East & Africa	-	-	-	-
Americas	-	-	-	-
Total	287	75	(211)	(73.7%)

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Balance Sheet

(Billions of yen)	Mar. '18	Jun. '18	Change	%Change
Current assets	466.3	581.3	115.0	24.7%
Tangible fixed assets	2,044.6	2,114.3	69.7	3.4%
Intangible assets	541.5	517.9	(23.5)	(4.4%)
Recoverable accounts under production sharing	589.0	585.0	(4.0)	(0.7%)
Other	692.4	863.3	170.8	24.7%
Less allowance for recoverable accounts under production sharing	(81.6)	(82.1)	(0.5)	0.7%
Total assets	4,252.3	4,579.8	327.4	7.7%
Current liabilities	305.4	457.8	152.4	49.9%
Long-term liabilities	788.0	933.9	145.8	18.5%
Total net assets	3,158.8	3,188.0	29.2	0.9%
(Non-controlling interests)	242.1	242.3	0.1	0.1%
Total liabilities and net assets	4,252.3	4,579.8	327.4	7.7%
Net assets per share (Yen)	1,997.24	2,017.14	19.90	1.0%

Summary of financial information for Ichthys downstream JV (100% basis, including the Company's equity share 62.245%)
(Billions of yen)

- Current assets : 40.0
 - Fixed assets : 3,734.0
 - Total assets : 3,774.0
- *Fixed assets include interest expense which are not included in CAPEX, and capitalized costs before FID.

- Total shareholders' equity : +3.6
Accumulated other comprehensive income (Billions of yen) : +25.3
- Unrealized holding gain on securities : +2.1
 - Unrealized gain from hedging instruments : +8.4
 - Translation adjustments : +14.8

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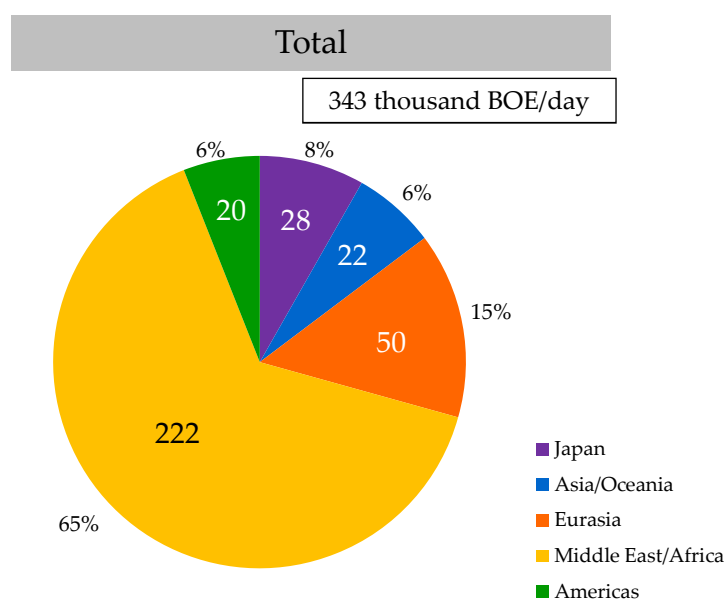
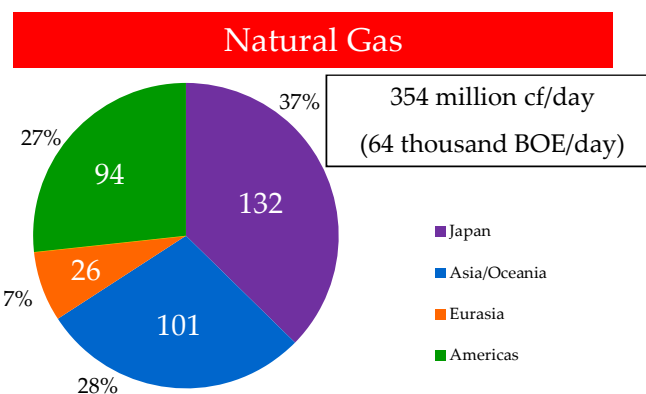
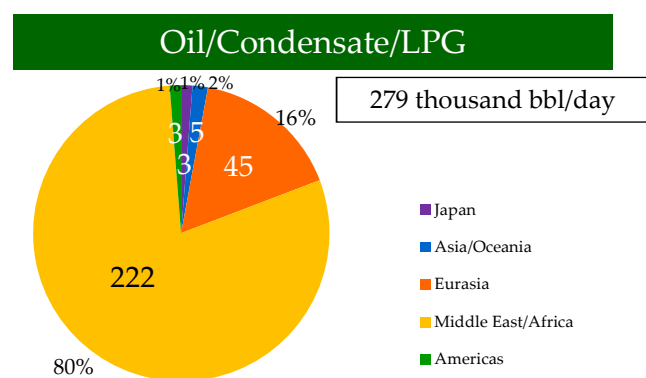
Statement of Cash Flows



(Billions of Yen)	Apr. - Jun. '17	Apr. - Jun. '18	Change	%Change
Income before income taxes	95.5	116.2	20.7	21.7%
Depreciation and amortization	23.2	21.9	(1.2)	(5.5%)
Recovery of recoverable accounts under production sharing (capital expenditures)	17.2	2.4	(14.8)	(85.8%)
Recoverable accounts under production sharing (operating expenditures)	0.2	8.3	8.0	-
Income taxes paid	(89.5)	(70.0)	19.5	(21.8%)
Other	16.5	(37.2)	(53.8)	-
Net cash provided by (used in) operating activities	63.3	41.7	(21.6)	(34.1%)
Payments for time deposits / Proceeds from time deposits	8.6	(207.2)	(215.9)	-
Payments for purchases of tangible fixed assets	(73.1)	(64.1)	9.0	(12.4%)
Payments for purchases of investment securities	(89.2)	(1.4)	87.8	(98.4%)
Investment in recoverable accounts under production sharing (capital expenditures)	(9.8)	(9.0)	0.7	(7.9%)
Long-term loans made / Collection of long-term loans receivable	0.0	(154.6)	(154.7)	-
Other	(4.2)	11.9	16.2	-
Net cash provided by (used in) investing activities	(167.7)	(424.6)	(256.8)	153.1%
Net cash provided by (used in) financing activities	37.4	261.9	224.5	-
Cash and cash equivalents at end of the period	248.4	156.5	(91.8)	(37.0%)

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Net Production* (Apr. – Jun. 2018)



* 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.

Crude Oil Prices

